

**PORN OR YAWN?
AT LAST - THE
VERDICT ON LOLITA**

**HANIF KUREISHI:
AN AUTHOR AT WAR
WITH HIS FAMILY**

**SUZANNE MOORE:
DON'T KNOCK
ON TIM TV**

THE EYE

FEATURES, PAGE 17

COMMENT, PAGE 21

INDEPENDENT

Friday 8 May 1998 45p (IR 50p) No 3,605

Newspaper of the Year for photographs



Royal chaplain challenges monarchy

By Anthony Bevins
Political Editor

ONE of the Queen's chaplains believes it is time to consider the possibility of a republic, with the election of the monarchy.

Canon Eric James, writing in the *Independent* today, says: "In England, until 1215, the monarch was elected. Maybe the time is returning for election to the task and role."

In his article, based on a speech given at Westminster Abbey last night, he says it was illogical and naive for the Government to propose abolition of the rights of hereditary peers in

the House of Lords without considering the implications of that policy for the monarchy.

"The problem of hereditary monarchy is obvious and simple. The monarch now may be above reproach but you can never tell what you are going to get. And there's not a lot to be said for such a lottery. The question needs to be posed again, in our own time, whether the mere accident of birth can ever now be expected to produce a man or woman fit for the role that royalty requires: with, from birth, the fierce glare of publicity on the heir's upbringing, education, and development, and the in-

vestigative frenzy of the media over his making of friends, wooing, and so on.

"The relation between the private person and the public role ... makes all but impossible demands." He was careful to avoid criticism of the Queen herself. "As an Extra Chaplain to Her Majesty I would want to pay tribute to the devotion with which I believe the Queen has served the country as monarch. Nor do I believe now is the time for an immediate change in our mode of Government. But it is surely time for a profound reflection upon and reconsideration of the role of the

monarch." The canon, who is 73, said public discussion was needed, and for properly informed debate to take place, others - including the "strangely silent" church - would need to give a lead.

As for the courtiers, he appeared to doubt whether they could make much of a contribution, saying that part of the problem of royalty was the court: "The cult and class that hedge the monarch - for which, of course, the monarch is, in part, to blame. Security is the breeding-ground of toadying sycophants. And few of us have the courage to rise above that

excessive deference to royalty which defeats its object."

Canon James told the *Independent* there was no question of him suggesting a republic - but then added the word "immediately". But his challenge on the implicit contradiction of government policy towards the House of Lords has also attracted the attention of William Hague, the Conservative leader.

Canon James said: "The Government has raised the question of hereditary peers. There is surely a certain illogicality - even naivety - in thinking you can raise, as a matter of principle, the question of hereditary peers of the realm, but think you can leave entirely undisturbed the question of the hereditary monarchy."

Mr Hague said in February that the exclusion of hereditary peers from the Lords was potentially the most damaging constitutional change being proposed by the Government. "Mr Blair's justification is his dislike of the hereditary principle," Mr Hague, the Conservative leader.

Canon James also suggested greater use of abdication, saying: "Before the monarch is crowned, he or she must choose their future - or abdicate it."

Canon James recently "outed" Epoch Powell as an alleged youthful homosexual and last night's lecture contained provocative reflections on Diana, Princess of Wales. Having said she had served as an "icon" of compassion, he added: "There were other icons ... There was the icon of her crucifixion in a Mercedes, after a journey at ... break-neck speed, along the Via Dolorosa of a motorway and underpass from the Paris Ritz Hotel."

Time to elect monarchy?, page 3

Leading article, page 20



Eric James: Hereditary monarchy a lottery

Mothers win the right to refuse Caesareans

By Ian Burrell
Home Affairs Correspondent

IN A landmark ruling at the Court of Appeal yesterday, judges declared a hospital had acted unlawfully in forcing a veterinary nurse to have her baby by Caesarean section. The woman won the right to sue the hospital, a health care trust and a social worker who organised her detention under the Mental Health Act.

Lord Justice Judge said: "She is entitled not to be forced to submit to an invasion of her body against her will, whether her own life or that of her unborn child depends on it."

The 30-year-old woman, identifiable only as Ms S, was detained by a social worker under the Mental Health Act after her GP warned she was refusing treatment for severe pre-eclampsia - a condition which threatened her life and that of her unborn baby, now a healthy two-year-old.



Ms S had an 'extreme objection to any medical intervention'

The appeal judges ruled that an unborn child's need for medical aid does not prevail over the right of its mother to refuse treatment. They found a High Court judge had acted wrongly in granting an injunction allowing the hospital to operate on her without her consent.

After yesterday's ruling, Richard Stein, the woman's solicitor, said: "The position is now clear for all medical professionals and social workers: the future that women patients can decide what they want in relation to treatment over their births."

Ann Furedi, director of the Birth Control Trust, said: "Pregnant women are not walking womb but individuals who have the same right as anybody else to refuse medical treatment and reject doctors' advice. Usually a pregnant woman and doctors want the same outcome but when a conflict arises the woman's decision must prevail. It is important to respect her autonomy of choice."

Leading article, page 20



Matisse's *Young Sailor II* is one of 85 works bequeathed to the Metropolitan Museum of Art. Photograph: Reuters

Museum gets art windfall of century

By Mary Dejevsky
in Washington

ONE OF the most admired private collections of 20th-century European art has been bequeathed in its entirety to the Metropolitan Museum of Art in New York. The collection, which includes major works by Matisse, Picasso, Braque and Miró, belonged to Natasha Gelman and her film-maker husband Jacques.

The director of the museum, Philippe de Montebello, described the bequest as "sensational" and "certainly the most important gift to the museum in the field of 20th-century art".

Mrs Gelman, who was born in what was then Bohemia, died last week at her home in Cuernavaca, Mexico, aged 86. Her husband, a Russian-born Frenchman who died 12 years ago, made a fortune producing films that featured the Mexican comedian Cantinflas. The value of their collection, amassed over 50



Natasha Gelman: Left museum a 'sensational' bequest

years, is estimated at more than \$300m (£188m).

Among the 85 works are an early self-portrait by Picasso that once belonged to Gertrude Stein, and *Three Studies for a Self-Portrait* by Francis Bacon, which will be the museum's first examples of Bacon's painting. There is also one of the best-known Pauw

portraits, Matisse's 1906 *Young Sailor II*. The Gelmans concentrated on the early 20th-century School of Paris. They had 14 Picassos, nine Matisses, nine Miró, four Braques, and single works by Renoir, Modigliani and Ernst. The earliest work is a Degas bronze sculpture from the turn of the century; the latest are the Bacons.

Mrs Gelman was an honorary trustee of the museum for many years, and promised it the collection in 1989 after the chairman of the 20th-century art department, William Lieberman, arranged for the works to go on public view for three months. There was a generous tribute yesterday to Mr Lieberman who had nurtured a friendship with Natasha Gelman for decades. He advised the Gelmans on purchases, and when they endowed a curatorship of pre-Second World War art in 1990, he took the title.

In her will, Mrs Gelman stipulated that the collection should be kept together and not integrated into the museum's general collection.

Today's news

Policeman accused

A detective who had a role in the collapse of the private prosecution of Stephen Lawrence's alleged killers has been accused of undermining the murder investigation. Page 4

Summit bid halted

Stephie Goodwin's plans for the final gruelling climb to the summit of Everest have been dashed by poor weather. Winds of 80mph are keeping the team at base camp. Page 8

Mudslide deaths

Rescue workers in Sarno, Italy, which was hit by gigantic mudslides, fear that there may be dozens of undiscovered bodies buried in the mud and rubble. Page 13

NSIDE EYE GUIDE, WEATHER, P2 • CROSSWORDS, P30 AND EYE P10 • TODAY'S TELEVISION, EYE P12 • FULL CONTENTS, P2

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Is it now time to elect the monarchy?

'The problem of the hereditary system is obvious'

The present incumbent may be above reproach, but the future is uncertain, writes Canon Eric James

I WAS chaplain to Her Majesty The Queen from 1984 to 1995. Therefore, writing on the future of the monarchy without a pastoral concern for the Royal Family is, to my mind, unthinkable.

It seems appropriate to address the question in *The Independent*, where Canon Alan Wilkinson, the noted Anglican historian and Diocesan Theologian of Portsmouth, wrote an article a week after the funeral of Diana, Princess of Wales, which concluded:

When things go wrong with hopes and relationships, we often react by wanting to be rid of the source of the pain. This is how many people are reacting to the failures of the monarchy. But ought we to abandon an institution which is woven into every period of our history, out of disappointment or a fit of pique? There is still time to salvage the monarchy, but there is not as much time as some in authority once

seemed to assume.

The death of Diana, Princess of Wales, was the occasion, but not wholly the cause, of many of the questions that people have been asking about the monarchy. But mortality is something close to us all: however much we avert our gaze.

Her Majesty The Queen – I am myself keenly aware – is less than a year younger than I; and the Duke of Edinburgh is but four years older. If Prince Philip were to die, would the Queen, without the huge help of a consort alongside her, retire from the scene, like Queen Victoria? Or would she abdicate? Or would she continue to serve as monarch as devotedly as she has done for over 40 years?

And what would happen were the Queen herself to die? The Prince of Wales waits in the wings, so to speak; though his wailing is both active and creative; and, in time, will no doubt have his own thoughts about his role as monarch.

There is another very relevant question. The Government has raised the question of hereditary peers. There is, surely, a certain illogicality, even naïveté, in thinking you can raise – as a matter of principle – the question of hereditary peers of the realm, but

think you can leave entirely undisturbed the question of the hereditary monarchy.

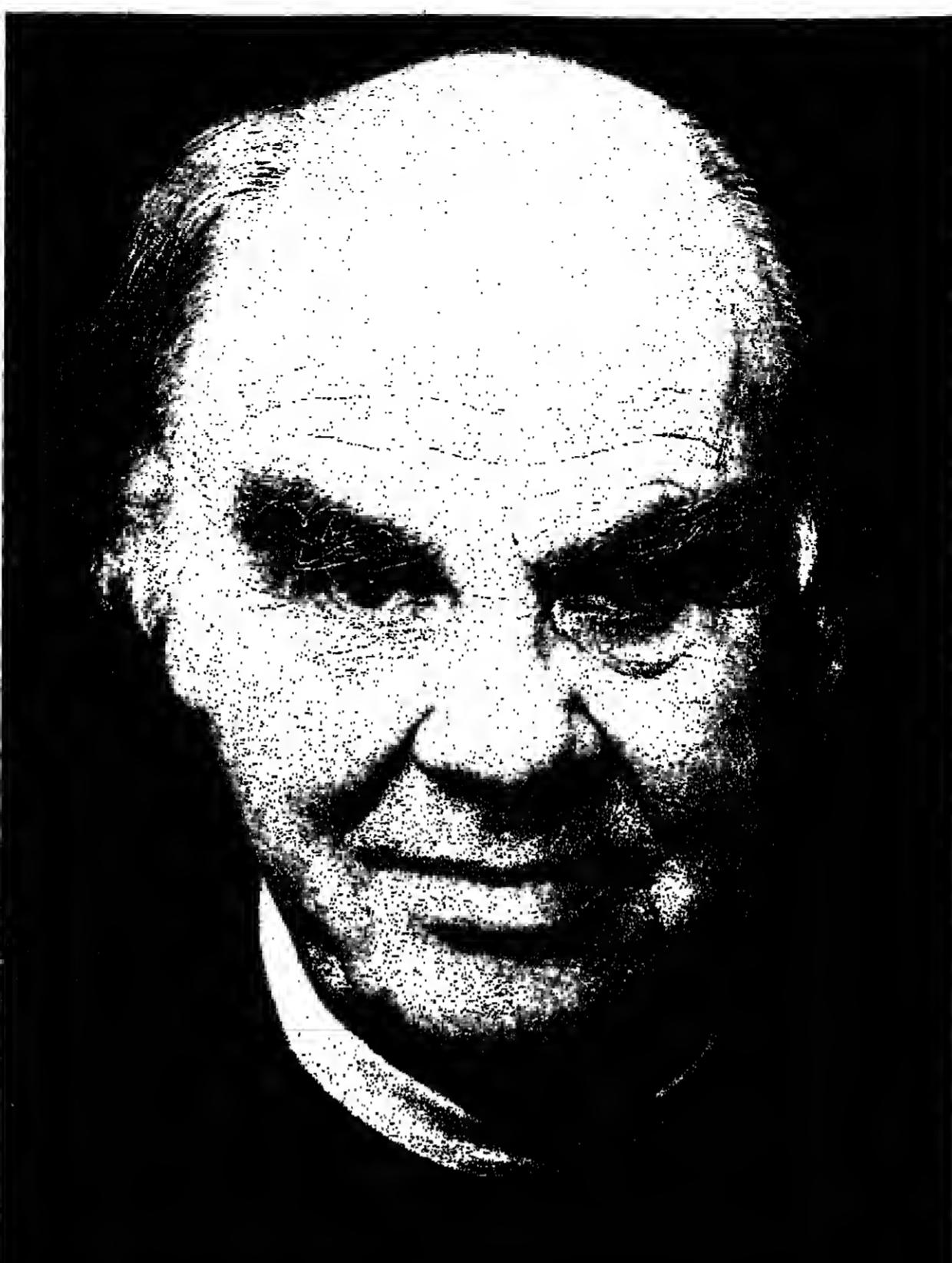
As we contemplate entering a united Europe, we clearly foresee a degree of union with countries which have other models of monarchy, with which we can compare and contrast our own.

Membership of the Commonwealth also has something to say to our British model of monarchy. The idea – and more than the idea – the recent live process of Australia becoming independent of Britain and free of the monarchy, and rediscovering its identity, is not without its implication for what we used to call "the Mother Country". The isle – this isle – we may yet discover, if we have ease to hear, is full of noises, of voices, seeking to rediscover our own identity.

Finally, there is the role of monarchy in relation to the Church of England. The title given to the Queen – "Defender of the Faith" – is one conferred at his own request by Henry VIII, in 1521, by Pope Leo X. Parliament recognised the style as an official title of the English monarch, and it has been borne since that day by all British sovereigns.

It would be foolish to think that the future of the monarchy could or should be discussed without the Church of England playing a significant part in the discussion. The future of the House of Lords begs the question of the future representation of the Church of England in that House – and, indeed, of other Christian bodies, and other religions – and the relation of the Church of England to those other bodies.

I respectfully suggest that the archbishops should set up a broad-based Commission of Church and Nation, with special reference to the future of the monarchy. So far, the churches have been strangely silent on the modernising of the monarchy, though, surely, they have much to contribute through what the Bible says on monarchy – not least through the prophets, but most through the self-revelation of God in Je-



James: 'Few of us have the courage to rise above excessive deference to royalty'

sus, and the model He provides of leadership in His Kingdom, in contrast with all our too human requirements of distance, rank, status, possessions, hierarchy – which, of course, meant originally "rule by the priests".

This necessity is what Shakespeare called "degree": "take half degree away, untrue that string, and, hark! what discord follows". Such a commission would surely have valuable insights for our secular, multi-racial and multi-faith society.

We shall not get the subject of monarchy right in a day, nor dare we use that word "mystery"

as an escape. Shakespeare knew that part of the problem of royalty is the court: the cult and class that hedge the monarch – for which, of course, the monarch is, in part, to blame. Security is the breeding ground of toadying sycophants. And few of us have the courage to rise above that excessive deference to royalty which defeats its object.

The question needs to be posed again, in our own time, whether the mere accident of birth can ever now be expected to produce a man or woman fit for the role that royalty requires. In our age, from birth,

the fierce glare of publicity is directed on to the heir's upbringing, education, and development; followed by the investigative glare of the media on his making of friends, wooing, and so on. The relation between the private person and the public role – it must be faced – now makes all but impossible demands.

In England, until 1213, the monarch was elected. Maybe the time is returning for election to the task and role.

As an Extra Chaplain to Her Majesty, I want to pay tribute to the devotion with which I be-

lieve, the Queen has served the country as monarch. Nor do I

believe that now is the time for an immediate change in our mode of government; but it is, surely, time for a profound reflection upon and reconsideration of the role of monarch.

The problem of hereditary monarchy is obvious and simple. The monarch now may be above reproach; but you can never tell what you are going to get. And there's not a lot to be said for such a lottery.

This article is based on a lecture given by the author last night in Westminster Abbey.

A court insider with a feel for the underdog

By Anthony Bevins
Political Editor

CONTROVERSY and Canon Eric James have been companions for a long time.

There was a fuss some years ago when he went on a television programme, and declared his own homosexuality; there was even more controversy when he recently produced "evidence" that Enoch Powell had been a youthful homosexual.

By taking his call for an examination of the hereditary monarchy into Westminster Abbey, along with a suggestion that Diana Princess of Wales had been crucified, the Extra Chaplain to the Queen can hardly be surprised if last night's lecture of "Spirituality, Shakespeare and Royalty" creates a row.

As a chaplain to the Queen between 1984 and 1995, when he became 70, and an "extra" chaplain since then, Canon James claims no special relationship with the Royal Family.

But he believes that his position as a chaplain does make him a part of the royal circle.

He told *The Independent*: "I conversed with the Queen once, when I was stroking her corgis and got caught up in the leads when all 28-or-so chaplains – is that a covey of chaplains? – were being taken around the royal apartments. You preach at one of the Royal Chapels each year, and 'such other duties as it shall be Her Majesty's pleasure to command'.

"In fact, you preach once a year at, almost certainly, the Chapel Royal, in St James's Palace, and she's rarely present. But she invites you to some likely years, up to Holyrood or Sandringham, or whatever it is."

After last night's lecture, Canon James would be lucky to be included in the next "jolly".

But, then, he has never been one of the court's "toadying sycophants".

In the 1950s, he was chaplain to Trinity College, Cambridge, and he told *The Independent*: "I watched the grammar school boys from working class areas make some of the best contributions to the civil service. I doubt whether they would have got anywhere near the royal household."

One of the motivating forces of his life, he says, has

always been an awareness of the underdog. His father was a valuer and assessor in Dagenham, but Canon James left school at 14, just before the Second World War, and worked as an office boy for seven years on the Thames-side wharf where the Globe Theatre now stands.

Those were years when he carried out duties – alongside London dockers – as a fire-watcher, and he says now: "That was when all the class barriers came down."

During that time, he also worked hard at night school and after the war, he was accepted as a student by King's College, London, where he studied theology.

In his lecture last night, Canon James recalled that when he had first started his training for ordination, he had been urged always to think

After last night's lecture, he would be lucky to be asked to the Queen's next jolly

"theologically", and he said that he was applying that instruction, now, to his thoughts on the monarchy. "It is worrying to me," he said yesterday, "that at such a time, when such a question is up for discussion, I cannot name you one theologian, or one higher-up, who has raised it."

He said that the implications of government proposals to end the voting and speaking rights of hereditary peers in the House of Lords were not being discussed at all.

"It raises the whole question of primogeniture," he told *The Independent*. "It goes right the way through the system, and through society, too."

"I still think there are quite a lot of people in working-class houses who talk proudly of their sons in a way that they don't talk of their first daughter. It is a very odd thing."

"Is the church afraid of addressing such questions? I do not want this to sound like a revolutionary threat, as it were, but I am saying that it needs to be looked at."

Hormone test will help fight breast cancer

By Jeremy Laurance
Health Editor

A HORMONE present in the blood increases the risk of breast cancer up to seven times in younger women and can be measured by a simple test.

The discovery by US scientists points to ways in which the disease may be prevented and could open up a new direction in cancer research. It adds to evidence that dietary changes and prophylactic treatment with hormonal drugs such as tamoxifen may help ward off the cancer.

The hormone, insulin-like growth

factor (IGF-1), is part of the body's defence system and is also known to be raised in prostate cancer. Experts believe that amplifying the body's defences instead of tackling the causes of cancer could turn out to be a more effective strategy against the disease.

Previous studies have shown that levels of IGF-1 are raised in women with breast cancer, but it was unclear whether the high levels were caused by the presence of the disease.

The new study, published in *The Lancet*, compared 400 women from whom blood samples were taken in 1989 to 1990 and who developed

breast cancer up to five years later with 620 women from whom blood was taken at the same time but who did not develop cancer.

The results showed that among pre-menopausal women those with the highest IGF-1 concentrations had twice the risk of developing breast cancer of those with the lowest concentrations. For pre-menopausal women under 50 the difference in risk between the highest and lowest concentrations rose to 4.5 times and, when the presence of a binding protein (IGFBP-3) was taken into account, the difference in risk rose to 7.3 times.

Dr Susan Hankinson and collea-

gues at the Brigham and Women's Hospital in Boston, in the US, said a blood test to measure IGF-1 concentrations could be a way of providing women with an early warning that they should attend for regular breast screening or be given prophylactic treatment. A large US study of tamoxifen given to pre-menopausal women was stopped last month after early results showed it reduced the incidence of breast cancer in high-risk women by 45 per cent.

Professor Jeff Holly, of the University Division of Surgery at Bris-

tol Royal Infirmary, said tamoxifen was known to lower the level of IGF-1 and this could explain how it prevented breast cancer. Levels of IGF-1 are determined by nutrition and set early in life – a high-protein, high-energy diet increases the levels and therefore the risk of cancer – so changes in diet to include more carbohydrate and fruit and vegetables could help prevent the disease.

Eight cancer patients have been recalled to hospital after a computer fault led to the administration of lower levels of potentially life-saving chemotherapy treatment than

should have been used, it emerged today.

A total of 670 kidney function tests carried out at London's Middlesex Hospital have had to be recalculated for a range of medical conditions and the correct results forwarded to the relevant consultant doctors, an inquiry report has revealed.

Hospital investigation found a set-up fault in a computer which resulted in an under-estimation of 10 to 20 per cent in kidney-function tests.

Although the hospital has stressed that treatment in the vast majority of cases was unaffected by the computer

error, doctors dealing with eight cancer patients said they would have adjusted the levels of chemotherapy drug treatment if they had been given the correct test results.

Dr Tony Goldstone, medical director of UCL Hospitals, said it was impossible to determine whether this may have any effect on the outcome of treatment.

A helpline (0808 100 1486) has also been set up for any patients who believe they were tested for kidney function at the Hospital between July and December 1997 but have not been contacted.

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Detective 'thwarted' Lawrence investigation

By Kathy Marks

A DETECTIVE who played a central part in the collapse of the private prosecution of the alleged killers of the black teenager Stephen Lawrence was accused yesterday of deliberately undermining the murder investigation.

Detective Sergeant Christopher Crowley also tried to thwart the investigation of an earlier racist killing in the area, again by discrediting the key prosecution witness. It was alleged at the public inquiry into Stephen's death.

The case brought by Stephen's parents in 1995 was abandoned after the trial judge ruled out identification evidence by Duwayne Brooks, Stephen's friend who was with him when he was stabbed to death by a white gang in Eltham.

south-east London, in 1993. DS Crowley's account of a conversation with Duwayne after an identification parade was a crucial factor that led to the judge's decision. He claimed Duwayne told him that friends had primed him to pick out a suspect.

Cross-examined yesterday by Ian McDonald QC, counsel for Duwayne, DS Crowley denied having any connection with the families of five youths later charged with killing Stephen. He said he had heard of Clifford Norris, the father of one suspect, who was described by Mr McDonald as "a well-known south London villain involved in drug trafficking and firearms". But he only knew his name and had had no dealings with him or his associates, he said.

"Did you know he was someone known to buy off witnesses and jurors?" asked Mr

McDonald. "No, I didn't," DS Crowley replied. "Did you ever hear rumours of him buying off police officers?" "No."

Mr McDonald alleged that in the case of Roland Adams, a black teenager murdered by a white gang in February 1991, DS Crowley's actions had demolished the credibility of Roland's brother, Nathan, who was the principal witness.

He arrested Nathan twice for alleged offences, Mr McDonald said, an assault and a robbery.

In the case of the assault, another juvenile was also arrested. Both exercised their right to silence, but only Nathan was charged. He told DS Crowley: "Your questionable involvement in both murder inquiries, if unexplained, is sufficiently serious that it provides a basis for inferring an attempt to thwart the success of both inquiries."

The public inquiry was told that DS Crowley was not involved with the Lawrence investigation, but was assigned to escort Duwayne to an identification parade in Southwark. After the parade, in which Duwayne identified Luke Knight, one of the five, he allegedly asked DS Crowley if he had picked the right one. He also, according to the detective, said he believed he had pointed out the brother of Neil Acourt, whom he had identified on an earlier parade.

DS Crowley said yesterday that he stood by his account of the conversation, key details of which are denied by Duwayne. He said Duwayne told him that he had not seen the faces of Stephen's attackers, and friends had given him a physical description of Acourt's brother before the parade.

The inquiry continues today.



Hard work: The End of the 20th Century, by sculptor, teacher and political activist Joseph Beuys, installed at the Tate Gallery, London, as part of a display that includes work by Andy Warhol and opens on 18 May. Photograph: Philip Meech



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AA director's RAC 'windfall'

By Randeep Ramesh
Transport Correspondent

THE head of the Automobile Association could be in line for a £35,000 bonanza thanks to the sale of the Royal Automobile Club, his main competitor, to an American marketing company.

John Maxwell, the 54-year-old director-general of the AA, was made an "honorary member" of the RAC club in Pall Mall by virtue of his job. According to the RAC, this position would entitle him to the cash hand-out.

The AA denies this is the case, stating: "Mr Maxwell is categorically not a full member. He was offered an honorary title as part of his job. He will not be voting for anything."

A "club clique" which includes Damon Hill, the former Formula One world champion, and the actor Richard Wilson, have to vote to end the RAC's mutual status. Should these group approve the proposed £450m sale of the RAC's motorising organisation, each member of the exclusive west London club will receive a £35,000 windfall.

Mr Maxwell's household is also likely to benefit from any sell-off. His sons - John Jr, James and Iain - are all fans of the country house in Surrey and

the Pall Mall's sumptuous restaurant and restaurant. Two of them are full members - which will bring in £70,000 when the RAC is sold - and the other has applied.

The spat over Mr Maxwell's membership will worsen relations between the RAC and the AA. Under its new parent, Cendant - which also owns Green Flag - the new RAC will serve 9 million motorists. This will put it on a par with the AA.

The AA yesterday took out full-page advertisements in national newspapers designed to attract disaffected users of the RAC's breakdown service - who have been angered by the large returns by a group of well-heeled top people.

Ordinary members of the RAC will not get a payout because its 101-year-old constitution cites that only those "full members" that join the Pall Mall club direct - for £600 a year - are shareholders of the motoring organisation.

The RAC responded in kind today with an advertisement that questions the efficiency of the AA.

"We are concerned about the quality of the service which members receive. That is what we are concerned about," said Edmund King, a spokesman for the RAC board.

Scandal-ridden police force hit by suspensions

FRESH controversy hit Grampian Police with the announcement that two CID officers had been suspended. The force, still reeling over the resignation of its chief constable, Ian Oliver, said the move followed completion of an internal report but refused to disclose the circumstances.

It is understood it is unconnected to the Scott Simpson case, which finally led to Dr Oliver resigning. He was already stepping down following a separate incident when a paper published pictures of him embracing a married woman. At the heart of the row which provoked his resignation last month was a report castigating Grampian Police over its handling of a known paedophile.

Headless body found

DETECTIVES were yesterday searching for parts of a woman's body after a torso was found in a holdall. The woman's legs, which had been chopped up, were found nearby in a plastic bag. The head and arms were still missing.

The discovery was made on Wednesday in Oldham. Greater Manchester Police said it was so far impossible to establish the woman's identity. A spokeswoman refused to confirm reports that detectives were examining a possible link between the discovery of the body and the disappearance on Sunday of local woman Leanne Singleton, 18.

Arrests over grass's murder

DETECTIVES investigating the murder of a "supergrass" shot at his home have arrested three men at separate addresses in areas of Richmond and Hampton, London, and Sunbury, Surrey. James Lawson, shot at his home in Bow Field, Hook, became a "supergrass" nine years ago when he tipped off police about a Mafia plot to flood Britain with cocaine worth £20m on the streets each week.

Water firm fined on sewage

A COMPANY which polluted a seaside port's inner harbour with 1 million gallons of sewage on a bank holiday weekend last summer was fined £5,000 and told to pay £250 costs. Wessex Water Services of Bristol, had admitted at Weymouth magistrates' court to causing sewage effluent to be discharged.

Tommy Smith pays penalty over disability claim

By Louise Jury

TOMMY SMITH, the legendary hard man of Liverpool football, yesterday lost his battle to win back disability benefits axed after he was spotted taking a penalty kick for charity two years ago.

A panel of the Independent Tribunal Service in Manchester ruled that he was entitled only to the lowest rate of support, £13 care allowance, and not £132-a-week disability living allowance.

The former Liverpool defender, who was known as the iron man of Anfield in the Seventies, has suffered from osteo and rheumatoid arthritis for 20 years.

But he was persuaded to take the penalty kick for charity before the 1996 cup final at Wembley where, he claimed, he was reported by a Benefits Agency worker supporting Liverpool's rivals, Everton.

Mr Smith, 53, said he intended to launch a private prosecution against the worker who named him and would appeal against the panel's decision.

"I'm going to fight this all the way. I'm going to take it further. It's



Fighting back: Tommy Smith on the pitch as the iron man of Anfield in the Seventies (right), and (left), helped by his wife, Sue, outside the Independent Tribunal Service hearing in Manchester yesterday; Mr Smith attended the hearing in a wheelchair and neck brace following a road accident last month in which he suffered three fractures to his spine and four broken ribs.

Photograph (left): Mercury Press

disgraceful. Evidently they don't believe what I say."

Mr Smith claimed that the benefits office worker had bragged in the office about his success in getting the disability stopped.

But the footballer said that anyone who knew him knew that he found it very difficult to walk.

Mr Smith, of Blundellsands,

Merseyside, has had two new knee joints, a new elbow and a hip replacement since his days as Liverpool captain. He claimed he could only limp out to take part in the charity kickabout after taking painkillers.

Earlier this year, Mr Smith said: "On the day of the shoot-out, I was drugged up with painkillers. I was

helped on the pitch and the ball was put in front of me."

He criticised a Department of Social Security doctor appointed to examine his case, claiming she was him for only three-quarters of an hour, adding: "Because I go on holiday to America, because I took a penalty at Wembley, and because

I do some after-dinner speaking,

that makes me able-bodied. I'm not going to lie down and be trodden on. I think it adds insult to injury when I have never been in trouble in my life. People who know me know I'm up-front." It was the principle, not the moeey, that was motivating him, he said.

The three-man panel, chaired by Peter Ball, decided unanimously that

Mr Smith was not entitled to an award of the mobility component of disability-living allowance.

A statement said that he was entitled to the lowest rate of the care component, £13.15 a week, back-dated from 13 September 1996.

Mr Smith's wife, Sue, said the decision was "totally disgusting".

"They could have come to stay

with us for a week and seen what I did for him but they still probably wouldn't have believed us," she said.

Mr Smith attended the hearing in a head brace and in a wheelchair following a road accident near Skelmersdale last month. He had to be cut free from the wreckage and suffered three fractures to his spine and four broken ribs.



'Biopiracy' row over plan to patent plants

By Charles Arthur
Science Editor

THREE multinational companies are being accused of "biopiracy" after taking out patents covering uses of three plants commonly used for herbal medicine treatments in India. One of the companies reported that the accusations are part of an attempt by the Indian government to claim plants and treatments widely used across the Far East originated in India, so that companies there can patent them instead.

The plants - *dudhi* (*Euphorbia hirta*), black nightshade (*Solanum nigrum*), and *chhotagokhru* (*Tribulus terrestris*) - are used to treat conditions including worm infestation, stomach irritation, menstrual pain and urinary infections.

In the US, Procter & Gamble, Phytopharma and Zeneca

have registered patents covering various uses of general extracts and specific chemicals from the plants. They include "pharmaceutical compositions for the treatment of skin disorders" and "for gastro-protection". These would include the ways Indians now use the plants, or their extracts.

The Gaia Foundation pressure group condemned the move as "prospecting for green gold", in which companies hope to patent medicines used for centuries by Indian practitioners. But Richard Dixey, chief executive of Huntingdon-based Phytopharma, accused the group of "flag-waving" and India of sabre-rattling.

"We use Tribulus as a component of a formulation that comes from China," he said. "India is trying to lay claim to ownership of plants that are distributed all over the Far East.

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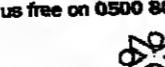
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Winds stall the best-laid plans of men on ice

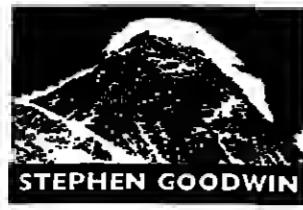
PLANS as they say, seldom survive contact with the enemy. A similar unravelling seems to be bevel plans made for mountaineering trips, though I would never regard a mountain as an enemy or something to "conquer". Its rough fabric and fickle climate have to be worked with in sympathy.

Two days ago I wrote what I believed might be my last diary from Base Camp before moving higher in readiness for our summit bid. In the flush of optimism not returning from our few days' rest down the valley, it had seemed weather and a full moon might favour an early shot around 11 May.

But that idea has evaporated. Winds of up to 80mph are forecast for the summit over the next day or two and little work has been done by any teams in the route between the South Col and the summit - a gruelling 12- to 15-hour return trip even for the fit. Ropes will be placed at the Hillary Step, a 20m barrier of rock and ice not far below the 8848m summit, and hopefully along other awkward sections.

However, none of that is in place yet, so it looks as though our Himalayan Kingdoms Expeditions (HKE) team is destined to spend several more long days festering around Base Camp.

Wally Berg's strong Amer-



STEPHEN GOODWIN
Everest Diary
Base Camp

My oxygen mask probably looked better on the Russian pilot it was designed for

ican scientific team - intending to bolt a GPS receiver near the summit to help fix the exact height of Everest - are thinking of moving up through the Icefall to Advanced Base in two days. They have the most powerful team of Sherpas on the mountain - 13 or 14 for four team members, compared to our nine for seven clients and two guides.

The consensus is to let this A Team lay the track. The snow could be chest-high and summit bids have often ground to a halt in such exhausting conditions. With luck, though, the



strong winds could strip away a lot of snow.

I was going to say that no one will go before Wally's team. However, one team here may be thinking of making an earlier bid. Sherpas who re-

turned to Base Camp today believe some of the Iranian national team have already been over-nighting at the South Col. At virtually 8,000m and therefore into the so-called Death Zone, the Col is reckoned too

high for useful acclimatisation, but who knows what the Iranians are thinking? There is certainly a language barrier and they do seem to be out of the loop of the Base Camp information exchange. Two of them

did, however, fix our HKE kerosene generator, pointing out a fairly basic Western blunder with the fuel feed.

Base Camp days follow a pattern which hardly sounds

disagreeable. Around 8am,

cookboy Pema Tsering unzips my tent and hands in a cup of "bed tea". Very milky, in any other circumstances I could not abide it. But sipped while lying back in the sleeping bag as the sun comes over the Lho-la

pass and starts warming the tent, it seems palatable enough.

Breakfast in the mess tent is followed by various chores such as laundry in a bowl with kettle of hot water in a rudimentary shower. Clothes quickly dry on the shifting boulders of Base Camp in the hot morning sun.

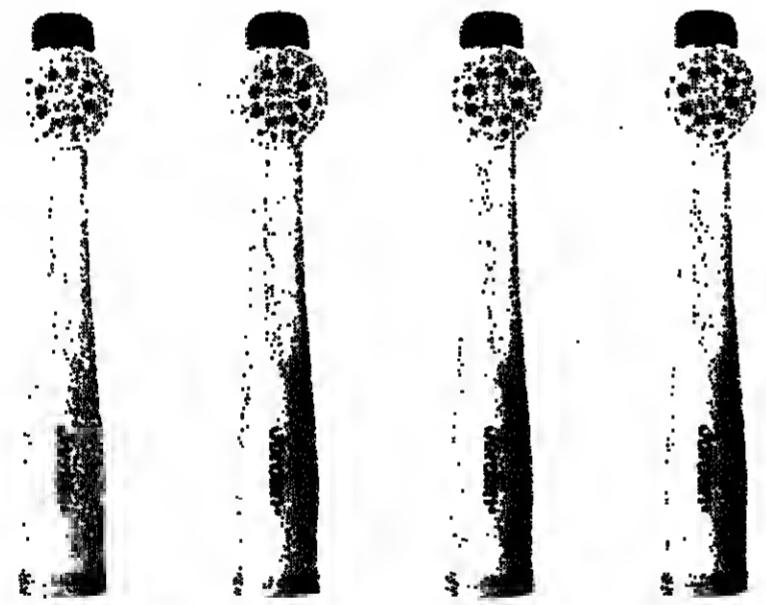
For a couple of hours, yesterday, we practised fitting the oxygen masks we will wear on our summit bid. I suspect mine looked better on the Russian pilot it was designed for. It must certainly have been more comfortable without the encumbrances of balaclavas, ski goggles and down hood.

After lunch, I have this diary to write and others fuss around with their e-mails. But there is always a strong temptation to slip back to the tent, climb in the sleeping bag and doze, read or plug in to the personal stereo.

All I fear now is that unless we break out of Base Camp before too long, my folder of 10 CDs is going to prove insufficiently varied for the waiting game.

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What future for the female boss?

By Barrie Clement
Labour Editor

OFFICE workers are marching towards a bright, relaxing, hi-tech future encumbered by stone-age views on female bosses, especially among women themselves.

While workplaces will become like flexible, informal "clubs", the overwhelming majority of women - and to a lesser extent their male colleagues - fervently hope they will be presided over by men.

Despite more than 20 years of equal opportunities and sex discrimination legislation, some 32 per cent of men and 86 per cent of females "hate" to be subordinate to a woman. In Scotland the proportion rises to a staggering 95 per cent for both genders, according to Pitman Training, which conducted research among 1,000 employers and employees in the United Kingdom.

More positively, researchers discovered that we have become a nation of "techno Brits" who crave the latest equipment and training on how to use it.

And experts predict that the typical office in 2010 will look more like a comfortably furnished private house with bright decor, workstations instead of desks and "video conference meeting posts".

The line between work and play will fade and the traditional nine-to-five working day will disappear, according to David Lewis, the psychologist whose consultancy prepared the report.

Dr Lewis said that the highest stress office of today was based on a culture of long hours and little time for social activity, but that that environment was going to change.

"The office of 2010 will be a hi-tech haven, with gadgetry revolutionising the way we work. Pleasure will be as much on the agenda as business. This

will have a positive effect on family life as people will have increased leisure time and lower stress levels."

Dr Lewis adds a word of warning however: "No matter how advanced silicon intelligence becomes, we are still going to reserve our warmest, deepest and truest emotions for those clumsy, illogical and infuriating bipedal, carbon-based life-forms known as human beings. If that simple truth is ever forgotten the offices of tomorrow won't have any future at all."

The present office environment gives little clue about the "relaxing hi-tech haven" of the future, the report concedes. Nine out of ten employees claim that work pressures and stress have increased significantly over the past few years. Office staff work an average 44 hours a week and more than half work through their lunch hour.

Alert after key-ring gun found at airport

By Jason Bennett
Crime Correspondent

AN international security alert has been issued after a mini-gun disguised as a key ring was found being smuggled through Heathrow airport.

Security experts are concerned that the 3in-long weapon, which contains two bullets and can kill from close range, could easily get past Customs officers.

The gun, which is understood to have been made in Bulgaria, is believed to be used by organised crime gangs, but there are fears that it could also be taken on to aircraft by hijackers.

It costs about £14 and is not detected by some traditional metal detectors and airport X-ray machines.

The Interpol bureau at the National Criminal Intelligence Service in London issued the warning to 177 countries after the device was found at Heathrow at the beginning of the year.

A similar weapon was seized in Athens last Wednesday after it had passed through an X-ray machine undetected. Guns were also found at Perth airport in Australia and Athens last September.

Although the weapon is made of metal it is likely to pass through airport security checks because passengers usually put key rings, coins and other metal objects on a tray that is passed around the detector.

The gun is intended to fire cartridges filled with gas to ward off attackers, but it can also take .32 calibre bullet and has a range of about seven metres. The trigger is disguised as a key ring.

It is believed to have been made in Bulgaria and is used by criminals in Eastern Europe who can smuggle it across borders without detection. There is no evidence to suggest that it is available in Britain yet.

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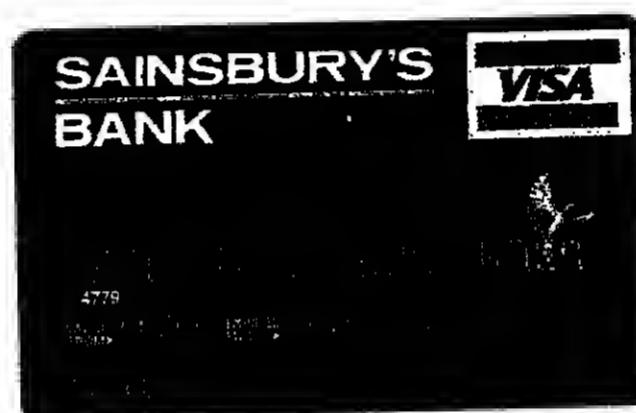
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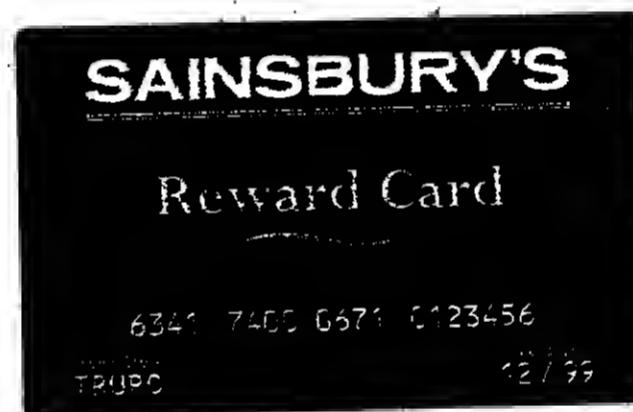
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Red face for Brown on Lords defeat

By Colin Brown
Chief Political Correspondent

TORY peers last night inflicted an embarrassing defeat on the Government over a delay by the Chancellor in implementing the £1.5bn cut in national insurance contributions for the low-paid promised in the Budget.

Senior Treasury sources confirmed last night that Gordon Brown will overturn the defeat when the Social Security Bill returns to the Commons, but it gives the Chancellor the potentially embarrassing problem of explaining to his own backbenchers why he needs to delay the cuts in NICs promised in the Budget.

The Tory defeat of the Government would force Mr Brown to implement the cut without delay, costing the Treasury around £1.5bn, which has not been budgeted for. A Treasury source said it was clear at the time of the Budget that the promise to lift all NICs from the first £81 in weekly pay would have to wait until after the introduction of other complicated tax changes, including the introduction of family tax credits.

That version of events was dismissed by Lord Higgins, a former Treasury minister who told peers that the Chancellor had never mentioned delaying the cut in NICs in his Budget statement. The shadow chancellor, Peter Lilley, weighed in last night, saying the Tory defeat of the Government would save every employee £1.35 a week.

Iain Duncan Smith, the Tory spokesman on social security, said: "The Chancellor gave everyone the impression that he was going to cut NICs and it was not until he went before a select committee that he started to backtrack.

"This goes right to the heart of government - it is all about presentation over substance. They say one thing and do another. He has misled the British public, and we are holding him to account."

But the government defeat by 146 votes to 115 risks intensifying the war of words between the Tory and Government front benches over the Government's determination to reform the Lords. By inflicting the defeat, the Tories emphasised their power over the Lords and reinforced the threat this week by Lord Cranborne, the Tory leader of the Lords, that they could block Government business if they choose to.

The defeat will make the Government even more determined to abolish the right of hereditary peers - who help to bolster the Tory majority in the Lords - to sit and vote in the Upper Chamber.

A furious Liberal Democrat source said: "The Tories are playing ducks and drakes with the Government. They knew that the House would be relatively empty because of the local elections, and they have used guerrilla tactics to defeat the Government."

It was Government's 19th Lords defeat since it came to power last May.



Ballot time: The Prime Minister, Tony Blair, with his wife, Cherie, leaving a central London polling station yesterday as voting got underway for local council elections and the referendum on the capital's first elected mayor. Photograph: AP

Salmond urges Blair to give him civil-service briefings

By Colin Brown

THE leader of Scottish Nationalists, Alex Salmond, yesterday cashed in on his party's surge in support in an opinion poll by calling on Tony Blair to give him civil-service briefings before the election for the Scottish Parliament.

He and the six SNP MPs have never been given access before in the kind of briefings Mr Blair enjoyed when he was the leader of the Official Opposition. The parliamentary leader of the SNP, Margaret Ewing, said: "We asked for civil-service briefings last year like those Tony Blair had before the last election and we got a resounding no but opinion polls have changed things. We should not be denied that kind of access."

In the past we were never going to be elected as a government, even if we won all the seats in Scotland, but we could form the administration in Scotland, or at the very least be the Official Opposition. Therefore, we think it is right we should have briefings."

Mr Salmond yesterday asked in writing to the Prime Minister for the SNP be briefed on formulation of legislation on a number of issues.

Mr Salmond said: "The practice of opposition politicians receiving confidential briefings from the civil service, and working with them to make initial preparations for the implementation of their policies, is an accepted part of democratic politics in the UK."

"Indeed, Tony Blair had the

advantage of such meetings 18 months before the last election. Now, with just over a year to the first sitting of the Scottish Parliament, there is an unanswerable case for the SNP to be given the same rights."

"In areas such as land reform, where there is a clear consensus for change, we would want to work closely with the Scottish Office civil servants to prepare a draft Bill for early introduction in the first session of the Parliament in 1999."

Mr Salmond said his party had made an informal approach to Scottish Secretary Donald Dewar earlier this year, but had been told no such access could be granted before the Scotland Bill had passed through Westminster. That might not be until autumn.

Public services 'bug' warning

THE Government should inject up to £2bn into public sector services to prevent catastrophe as a result of the millennium computer bug, Liberal Democrats urged yesterday.

The party's Treasury spokesman Malcolm Bruce said the Government was not doing enough to tackle the problem and should immediately transfer between £1bn and £2bn from contingency reserves.

He warned: "There is no longer enough time to address the entire problem. Things will go wrong. What we must do now is to try to avoid catastrophe."

In March, Tony Blair, the Prime Minister announced a £97m package of public money to help tackle the problem.

Mr Bruce said the Government was expecting public services to absorb the cost of the problem within existing budgets while also achieving political priorities such as National Health Service waiting lists.

He said: "The most obvious things they will target are life support systems but what about air traffic control systems, social services, local authority emergency services?"

"There is a lot of evidence to suggest that there is a lot of panic in the middle ranks of the civil service but it has not permeated upwards," he added.

Mr Bruce said the Government must heed warnings from computer experts about the scale of the problem, estimated to cost £250 to correct in the public sector. His plan of action included drawing up contingency plans for hospitals, energy supply and emergency services.

Lib Dems seek state funds

THE Liberal Democrats yesterday protested at receiving only one-quarter of the state cash given to the Tories for their parliamentary work and demanded the same core funding.

The party's chief whip, Paul Tyler, giving evidence to the Neill committee on standards in public life, which is investigating funding of parties, said extra funds should be given to any party which sought to shadow the work of all government departments. But he conceded that there should be a top up on the core funding to reflect the elec-

tionary support the opposition parties won at the previous general election. The Liberal Democrats, with 46 MPs, have only around one-quarter as many as the Tories, with 162.

Meanwhile, Tory Euro-MP Anne McIntosh warned of the danger of weakening democracy if there was state funding of political parties, which she said would be "counterproductive to the aim of broadening the financial base of political parties".

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Gang's plan to 'pop' a Picasso

A CRIMINAL gang believed security at Christie's was so lax an insider could "pop" a Picasso into a crate and walk out with it, a court heard yesterday.

An undercover policeman said he was told the £300,000 *Tête de Mousquetaire* would be replaced with a fake so the theft would not be discovered straight away. The officer, testifying against the former car burglar Peter Scott, 67, told London's Shredder Crown Court that in the end a plan to get hold of the painting came to nothing after it was decided it would be "too risky".

But just long afterwards he was told a more valuable Picasso, *Tête de Femme*, was available. The court has heard it was stolen during a raid in March last year at Lefevre Gallery, Mayfair. A deal was struck but during a "sale" at the Sherlock Holmes Hotel, police swooped and arrested Mr Scott as he allegedly walked away with it. The case continues.

£70,000 "proceeds" in a carrier bag. He denies conspiring to handle stolen goods. When arrested, he insisted he was an "innocent go-between"; a man he refused to identify had given him a suitcase, revealed it contained a painting, and ordered him to give it to Ronald Spring. He denied opening nor looking in the case and denied taking hold of the bag of money.

But Mr Spring, 69, a former legal executive turned property dealer, who was the officer's unsuspecting contact during the undercover operation and has admitted his part in the conspiracy, has said Mr Scott was a main player in the operation.

The officer, known only as Patrick, told how he posed as a crooked dealer. "It was said that movement of paintings was done by Group 4 security but for members of staff it would just be possible to pop it into a crate and walk out with it." The case continues.



At play: Children learning about jazz at a workshop in the Wigmore Hall, central London, this week; the sessions will continue at the west London Yaa Asantewaa Centre - telephone 0171-286 1656. Photograph: Rui Xavier

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Churches close their doors to paedophile

By Clare Garner

A CONVICTED paedophile who has been banned from churches across South Yorkshire yesterday branded his exclusion as the product of "phobia and hysteria".

In an unprecedented move, the Church of England has decided that Michael Cope, 49, should be denied entry to Sheffield Cathedral or any other church in the diocese in order to protect children in the congregation.

If the ban fails, the Church will consider taking out an injunction against him.

Police and social services in Sheffield alerted the Church to the fact that Mr Cope, who is single and who has lived in the Broomhill area of the city for 20 years, had become a regular attendee at Sheffield Cathedral.

Details about Mr Cope, along with copies of his photograph, have been circulated to neighbouring areas so that he can be identified if he tries to go to church.

Mr Cope was last convicted in 1995, when he was jailed for 18 months for indecently assaulting a boy who was taking part in an opera production at a theatre. In 1988 he was jailed for nine months for indecently assaulting three choirboys.

He said that the church ban was based on a fear of paedophiles which was often misguided. "I think it is phobia and hysteria," Mr Cope said. "It is not really related to my actions. There is a general climate not helped by the press. I have spent so many years regretting that this happened and that people were upset. I do accept that I broke the law - I am not claiming otherwise."

He added that he had no immediate plans to contact the diocese. "I am going to wait. It will be a hardship of course, but it looks like I will not be going to church."

A spokesman for the diocese of Sheffield said that the Church was an inclusive organisation and would not normally wish to ban anyone, but that it was forced to do so in this case for the sake of children.

"We can confirm that steps are being taken to exclude a man from Sheffield Cathedral and all church services in

Sheffield Diocese where children might be present," he said.

"This action was taken in accordance with the diocese of Sheffield's child-protection policy and in full collaboration with the police, social services and probation service. A professional assessment of the level of risk to children indicated that this action was required to protect children - this must be a primary consideration of the diocese."

A spokesman for the General Synod, the Church of England's ruling body, said: "As far as we are aware, it is an unprecedented move."

"This is clearly the Church taking steps to safeguard those in its care. The safety of children is of paramount importance."

Detective Superintendent Bob Purdy, deputy head of South Yorkshire CID, said: "We think this is a matter for the Church. Child protection is a

'It is an unprecedented move. The Church is taking steps to safeguard those children in its care'

key issue and safety of the community is a major concern.

"The Sex Offenders Act requires that convicted offenders must register, and there are obvious benefits for the people and other agencies of being aware where they are rather than driving them underground."

Jayne Moules, director of Childline Yorkshire and North East, said there was a fine line between banning someone and informing society of a possible risk.

She welcomed any co-ordinated approach which would protect children from people who are known paedophiles, but stressed that the vast majority of calls to Childline revealed that most sex abuse was not committed by strangers to the abused children.

DAILY POEM

The Dead Canary (after Catullus: Funus Passeris)

By D'Arcy Wentworth (1829-1902)

Wee bit birdie's dead and gane,
The pet n' my ain dearie O.
And now is journeyin' all alone
The road so dark and dreary O,
The road that maun be trod by all
O'mortal men and birdies O.

Sweet birdie kenn'd his mistress weel,
Her face fra ilk aither O,
As weel as e'er my lassie kenn'd
The face n' her ain mither O,
And nestled in her breast, he'd pipe
And cheep the hour thegither O.

Ah birdie, what was thy life,
Thy pair bit life sae fleetin' O,
'Tis a' for thee my dearie's een
Are red and sair wi' greetin' O,
'Tis a' for thee thee bonny een
Are red and sair wi' greetin' O.

"The Dead Canary" comes from *Pembroke Poets*, edited by Robert Macfarlane and David Quentin. This anthology, published to mark the 650th anniversary of Pembroke College, Cambridge, consists of work by poets who have been members of the college, from Edmund Spenser and Thomas Gray to Ted Hughes and Clive James.

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Death toll rises in Italian disaster

Three days after a sea of mud engulfed Sarno, rescue work continues, but with little co-ordination. Anne Hanley reports

THERE is a series of wide gashes in the mountains which tower above Sarno, great valleys of fresh dark brown earth plunging towards the town and its surrounding villages.

Below in Sarno, the earth does not stop. It is banked high along the fronts of houses and shops, mixed with tree trunks, garden chairs, and all the detritus of a town engulfed.

Beneath that mud, the 3,000 rescue workers who are feverishly digging with spades and bulldozers fear, there may be dozens of bodies. The mud has dried now and solidified, almost certainly trapping anyone caught in it. The search has been aided by sniffer dogs brought in from Austria.

Officials say they believe 54 people died in the disaster, though the figure cannot be verified until soldiers have finished searching for another 70 still missing (though locals believe that figure is much higher), including children and whole families feared to have been buried alive.

On a street corner on the outskirts of the village of Episcopio, mother and grandmother wept ecstatically as police unloaded a bemused teenager from their jeep.

"They are still bringing people down by the dozen," said a woman whose hair somehow remains open, despite having had its front shutters destroyed by the force of the onslaught, and having been without water for three days. "They come down by car or are hauled out by helicopter. Thankfully, a lot of them are still alive."

Helicopters circled ceaselessly, combing the flat roof tops for signs of life in what is now a ghost town. Only rescue workers and police are allowed past the barricades. Evo ambulances are confined to the huge fruit market on the edge of town. There, the helicopters land regularly, offloading stretcher cases, who are ferried to hospitals in neighbouring towns.

The stark bulk of Sarno's own hospital is clearly visible high up the hill behind the town; six people lost their lives there as the landslide crashed through the building on Monday night.

In a hut marked "bar" by the perimeter fence of the market, a field hospital has been set up and mainly elderly people dazed by the disaster, are having bruises treated. Across the car park, girl guides do battle with a single temperamental computer, striking off names of people admitted to hospital from the list of people still unaccounted for.

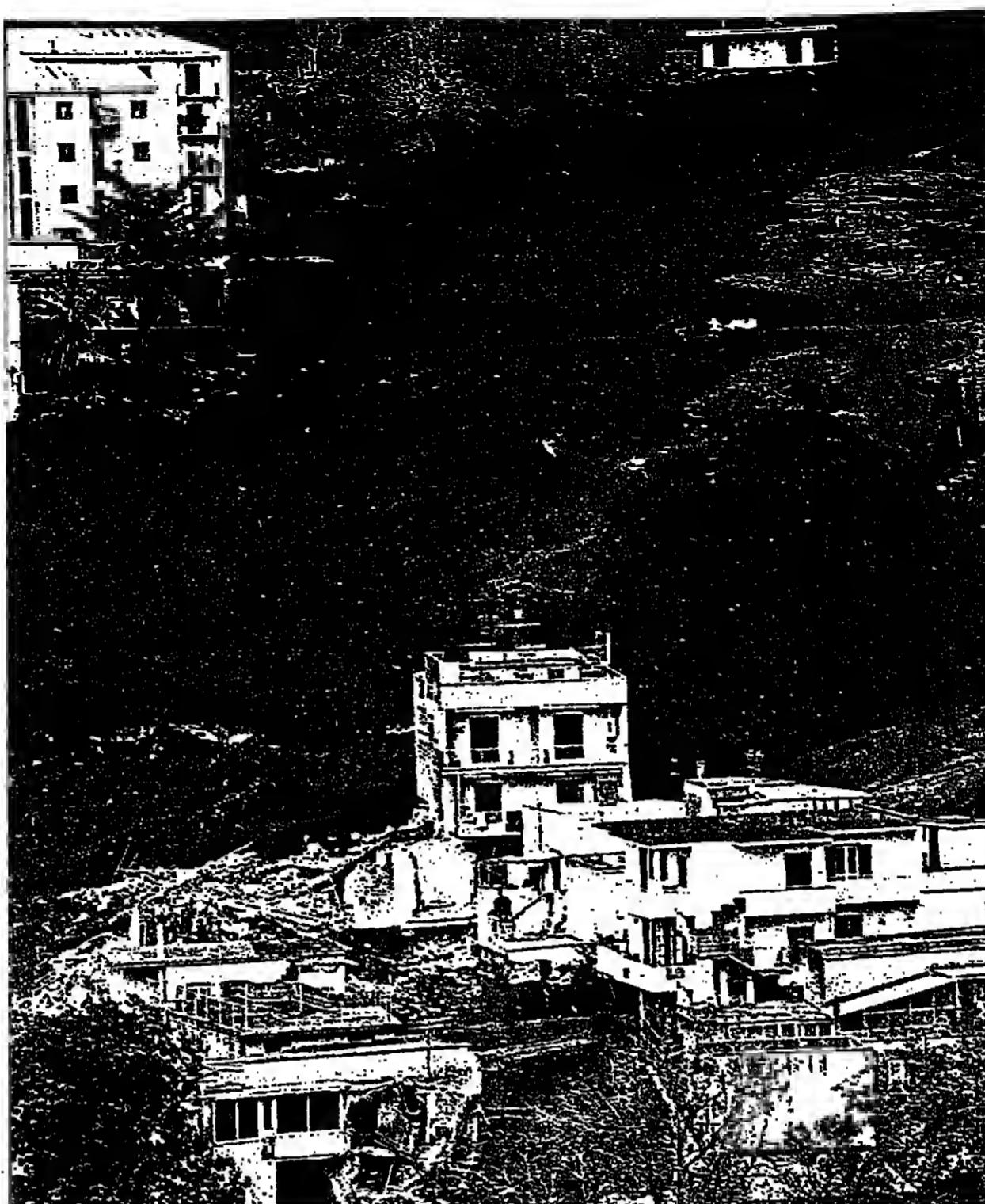
"Last I heard, we were still looking for 150 people here," said Sarno's deputy mayor, Maria Diodato. "But the situation is so confused, that it's impossible to give definite figures."

Mrs Diodato is surrounded by a frantic crowd in a huge huddle structure in the market area, where the homeless are being given food, blankets and clothes and directed towards schools where a camp bed might be available. She is having trouble with a caterer who has 300 meals ready but hasn't been told where to deliver them, and a cook with 3,000 rescue workers to feed but no food in his kitchen.

"As you can see, there's not much co-ordination here," she says, clearly exasperated. "The interior ministry has sent people down, but they don't know the situation on the ground; they can't really appreciate the extent of the problem. Yet they expect us to take a back seat and follow orders."

As she speaks, a motorcade draws up outside, blue lights flashing. Senate speaker Nicola Mancino has arrived, as has a delegation from the Left Democratic Party, the biggest element in the coalition government.

Crowds of curious locals surge around them, ousting journalist from impromptu press conferences which, however, are drowned out by the din



A mudslide covers part of Sarno, where rescue workers were still digging for scores of people feared buried. Photograph: Reuters

of helicopters. Back in Sarno, despite the bustle of rescue operations, there is a curious quiet. The sun is out and residents line the mud-filled streets. They looked bewildered, exhausted, as they watch the

seco to see if missing relatives are brought to safety.

"There was all that fuss about the earthquakes in Umbria," says the woman in the bar. "But that was nothing. When that mountain came plunging

down, I thought it was the end of the world."

Some experts attributed the region's fragility to mass construction, poor infrastructure and poor planning. The stairway of the hospital in Sarno collapsed

French suspend trains carrying nuclear waste

By John Lichfield
in Paris

ALL French trains carrying nuclear waste have been cancelled following revelations that they have consistently shattered European safety limits for the past seven years.

The Prime Minister, Lionel Jospin, has demanded an urgent report on the affair, which has provoked a press outcry against the sloppiness and arrogance of the French nuclear industry.

According to internal studies leaked to the *Liberation* newspaper, wagons carrying nuclear waste to La Hague plant, on the Cotentin peninsula – opposite the Isle of Wight – are frequently contaminated.

The external casing of "secure" rail containers, and even the wagons, are often stained with traces of nuclear materials, at up to 50 times the official safety limit and on one occasion at 500 times the limit.

The three publicly owned companies which are responsible for generating electricity, transporting and processing waste were all aware of the problem but did not inform the government, or the French railway company, the SNCF.

As a result, a dozen railwaymen who have handled the shipments at a depot in Normandy in the past few years may have been exposed to dangerously high levels of radiation.

The Environment Minister, Dominique Voynet – who is also leader of the Green party and a campaigner against the French nuclear industry – described the revelations as "shocking" and "unacceptable".

She said the industry, which has long been a by-word for secrecy and political string-pulling, must now realise "openness is the price of its survival".

Greenpeace has revealed in recent months that the large waste-processing complex at La Hague has been breaching its own, and official, safety guidelines in its discharges into the Channel.

The former environment minister Corinne Lepage – a centre-right politician, not a Green – has just written a damning book, called *We can do nothing, Madame le Ministre*, detailing her failing struggles to bring the nuclear industry to account.

"It is difficult to imagine, until one has seen the system functioning from the inside, the extent to which the state has become the prisoner of the [nuclear] lobby," she said.

The plant at La Hague receives 1,200 tonnes of nuclear material a year from the 57



Voynet: 'Shocked'

French nuclear power plants, plus waste materials from Germany and Switzerland.

All of this material crosses France by rail, in special sealed containers. There is no suggestion the containers are leaking.

They are "splashed" with nuclear materials, especially cobalt 60 and caesium 137, while they are being loaded. The suspicion is that the official cleansing procedures are inadequate or patchily applied.

The industry has played down the importance of the findings. There is no suggestion that anyone has been exposed to dangerous levels of radiation, says Jean-Louis Ricaud, the head of Transnucleaire, the company which is responsible for transporting the waste.

"Should we have to reveal to the public the slightest little problem, as soon as it is signalled to the authorities, even if it presents no public danger?"

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Bitter Indonesians vent fury at failing dictator

By Richard Lloyd Parry
in Medan, Indonesia

AT THE height of this week's riots in the city of Medan the crowds of looters forced their way through the reinforced shutters of motorcycle show rooms. The bikes, brand new Hondas and Suzukis, would be the pride of any Indonesian kampung, the poor urban neighbourhoods from which most of the rioters had come.

But the looters did not steal them, or even write them off in a joy ride. They simply doused them in petrol and set fire to the inn the spot. Nothing could better symbolise the waste, bitterness and alarming nihilism of the Medan riots than those burnt-out skeletons still visible around the city.

Yesterday, after three days during which they lost control of central areas of Medan, the police and army had regained the upper hand. Soldiers and marines shouldering M-16s drove up and down the city centre in open trucks, and a pair of

armoured cars mounted with cannons trundled along the street where the worst of the looting had taken place.

There were no reports of shooting in Jakarta, Indonesia's military commander, General Wiranto, denied that anyone had died when the police and army fired rubber and live

store for the country as a whole, Indonesia's future is grim.

The shops, and many homes in the city, fall into two types. Those open for business are adorned with advertisements making clear the crucial that they are not Chinese-owned. Some householders have rugs draped from their balconies

A further glimpse of Indonesia's potential future could be found in the city's hotels and airports. The former are bustling, partly with journalists who have flown in to cover the mayhem, but mostly with families of well-off local Chinese, standing nervously around the lobbies in their designer casuals, thinking unhappily of the homes which they have abandoned, just a few miles away. Yesterday, the flights from Medan to Jakarta and to Singapore were similarly crammed.

Until last Sunday, Medan was the centre of political protests by university students, but overnight it changed. The riots were triggered on Monday when the cost of fuel went up by 70 per cent – but for many of those who participated, the protests were not even about food and rising prices, and they are not about revolution. They were simply a statement of frustration by people ruled by Suharto, a failing dictator who allows them no other way to express their anger.

rounds the day before. The chief of police in North Sumatra was more cautious; he insisted there were "not many" fatalities; a local paper put the number at six dead. When looting did take place yesterday, it was desultory, pointless, and racist, aimed almost exclusively at the minority Chinese community. If Medan is, as many believe, an augury of what is in

bearing lines from the Koran. Most have handwritten signs reading: "Muslim shop", "Native Indonesian Shop", "Shop Owned By One Who Has Done The Haj". Chinese shops, the majority in some streets, are locked, shuttered and abandoned. Many, if not burnt out, are marked by ragged holes in their windows where stones have sailed through.

The protests were a statement of frustration by people allowed no other way to express their anger



Out of step: A military bandsman dancing during rehearsals of a Ukrainian honorary guard orchestra in Kiev yesterday. They will perform at celebrations this weekend to mark victory in the Second World War. Photograph: AP

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B&Q

Bank chief reignites row

By Katherine Butler
in Brussels

WIM DUISENBERG, set to become the first president of the European Central Bank, delighted MEPs but reignited the debate over last weekend's Brussels summit deal yesterday by reminding the French that it contains no date for his departure from office.

The Dutchman scored EU leaders who appointed him for what he labelled an "absurd" political fix which guarantees that his successor in running the single currency must be French.

And he "deplored" the fact that nationality was implicitly one of the criteria for selecting the next central bank head.

Playing up the ambiguity of the fudge which emerged after the stand-off between the French and German leaders, Mr Duisenberg, 62, said it was "not impossible" that he would remain for longer than the four

years the French claim he has been given. Asked during a confirmation hearing at the European Parliament whether he could stay on in the job for the full eight-year term if he wanted, he replied "Given good health, then yes".

His remarks under cross-examination by members of the parliament's monetary affairs committee will be seen as provocative in Paris, where interpretation of the deal is that he has to cede to the French central bank governor, Jean-Claude Trichet, by July 2002, when euro notes and coins have gone into circulation.

Mr Duisenberg admitted he had come under intense pressure during the summit to commit himself to a specific departure date, in breach of the Maastricht Treaty. "That is why it took so long on Saturday, I consistently refused to do so," he explained to sustained applause from MEPs.

Chirac and Kohl kiss and make up

By John Lichfield
in Paris

QUARREL, what quarrel? Like a married couple refusing to admit their differences in public, France and Germany yesterday put on a show of unruffled European solidarity.

After a summit in Avignon, President Jacques Chirac and Chancellor Helmut Kohl refused to dwell on their unseemly dispute over the leadership of the European Central Bank which poisoned the European Union summit in Brussels last weekend. They announced their intention to return to normal Franco-German business by promising joint proposals for the reform of EU institutions before the next European summit, in Cardiff in June.

The French prime minister, Lionel Jospin, even implied – disingenuously – that the real fault

for the Brussels bust-up should be laid at the door at Downing Street. He said action must be taken to ensure such meetings are better prepared in future, a dig at Britain and Tony Blair, who organised the summit as current holders of the rotating presidency of the EU council.

The carefully stage-managed display of friendship in Avignon was, in a sense, not a show but a recognition of a reality temporarily forgotten last weekend. France and Germany are condemned to get on, even if they need to let off steam occasionally; and even if the relationship is not as solid as it once was.

President Chirac went as close as he could to endorsing the Chancellor for re-election this Autumn. "We need for a long time to come the Chancellor's European vision," he said.

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Film star cast as winner in Filipino poll

Joseph Estrada has used his heroic screen persona to win the votes of the poor reports Stephen Vines

MANILA — It's hot, it's noisy, the main attraction is running about five hours late, the singers have belted out their all, the comedians have frolicked and the break dancers have well broken. Welcome to a typical Philippines election rally.

No one can accuse Filipinos of not enjoying their democratic system of government. They vote in large numbers, accept piles of cash for doing so and attend rallies with the sort of enthusiasm normally reserved for pop concerts. This, in part, is because Philippines political rallies are pop concerts and because Filipinos just love to be around celebrities. There are even some who are keen on politics.

After more than three years of campaigning the Philippines presidential election is gushing into the home run before voters go to the polls on Monday. All the hot money, and some of it is very hot indeed, is on Vice-President Joseph Estrada romping home to victory.

Mr Estrada, more usually known as Erap, is a former movie star who meandered across the silver screen playing the little guy fighting for justice

Colonel Bo-

Bishop kills himself over religious law

By Marcus Tanner

A CATHOLIC bishop in Pakistan has shot himself to death in protest against the death sentence pronounced on a Christian for defaming Mohammed and allegedly praising the author Salman Rushdie.

Bishop John Joseph, 67, took his own life after leading a procession to the court of Sahiwal town in the Punjab, where Ayub Masih, a Catholic, was given the death sentence.

His bizarre death has shocked not only Pakistan's 2 million or so Christians, who make up only a tiny proportion of Pakistan's 135 million population, but the country's human rights groups as well. "His [the bishop's] decision has taken away the best of the best from the human rights movement in Pakistan," said Peter Jacob, a Catholic spokesman.

In a letter to a newspaper, which was published yesterday, the bishop urged Muslims, as well as his fellow Christians and minority faiths, to protest against the blasphemy laws: "We must act strongly in unity, Christians and Muslims, to order out only to get this [Masih's] death sentence suspended but to get [legal articles] 295 B and C repealed without worrying about the sacrifices we shall have to offer."

Suspected serial killer held

ITALIAN police said yesterday they had arrested a man "strongly suspected" of murdering six prostitutes along the Italian Riviera in the past year. Dooato Bilancia, 47, was arrested in the Mediterranean port of Genoa on Wednesday.

— Reuters, Rome

Danish law to end strike

THE Danish parliament prepared yesterday to pass legislation to end the country's biggest strike in 13 years, and more than 450,000 people on strike or locked out were expected back at work by Monday. The government moved on Wednesday to stop the labour dispute, which has manufacturing industry, construction and transport since 27 April. — Reuters, Copenhagen

British 'plot against Nigeria'

NIGERIA's military dictatorship accused Britain and other Western powers of sponsoring street protests and plotting to destabilise the regime. Foreign Affairs minister Tom Ikimi alleged that Robin Cook, the Foreign Secretary, had approached US and Canadian officials earlier this week to aid a subversive campaign against General Sani Abacha's government. — AP, Lagos



Showmen: Joseph Estrada (left), usually known as Erap, with his vice-presidential running mate Edgardo Angara, enjoying the pop-concert atmosphere of a Philippines election rally

Photograph: Popperfoto/Reuters

crime, good to the poor and, well, better all round.

The routine goes down like a warm, comforting syrup. The hits the crowd really like are when he makes jokes about his poor English, which is not really as poor as he makes out, but mirrors their own frustration coping with the language bequeathed by the American colonialists, which remains an official language of the nation.

Erap proves that he is one of the people, sharing their difficulties in dealing with the English speaking rich and powerful. The election is not supposed to be a joke but it becomes a bit more manageable when viewed as such.

Erap proves that he is one of the people, sharing their difficulties in dealing with the English speaking rich and powerful.

The election is not supposed to be a joke but it becomes a bit more manageable when viewed as such.

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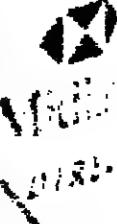
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South African rugby plunged into crisis as Luyt refuses to quit

By Mary Braid
in Johannesburg

THE FUTURE of South African rugby was in crisis last night after the country's white rugby supremo Louis Luyt refused to resign despite a demand by more than half his executive that he go to avert an international boycott.

In an ominous split along racial lines, the four black members of the executive of the South African Rugby Football Union (Sarf) resigned after the notoriously stubborn Big Louis, Sarf president, refused to follow the majority decision.

As a National Sports Council deadline for the resignation of Luyt and his executive expired, the rugby president also refused to support a decision of his executive to apologise to President Nelson Mandela for what they called his "humiliating" appearance in court last month after a judge insisted he appear in person to defend his decision to order an inquiry into allegations of racism and graft in the game.

Luyt refused to allow a government enquiry. Although Sarf won its court battle with the government it was widely predicted that it would lose the wider war.

Last night Muleki George,



Holding on: Rugby supremo Louis Luyt refuses to resign

the president of the Sports Council, said that the council's threat to invoke an international boycott still stood, after Luyt refused to quit.

A boycott would jeopardise millions of pounds of promised sponsorship in South Africa, Australia and New Zealand, and throw international competition into disarray.

Mr Luyt started the day in typical swaggering style, telling a breakfast meeting organised by a business publication that he would not resign and that the row between him and President Mandela's government was to do with race

rather than sport.

With international isolation again looming for a sport which in the apartheid era earned a reputation for attracting racist and right-wing supporters, Luyt said little to take the racial sting out of the confrontation.

"Are we going to remain a lawless society? Because that's what we are, you know," he said to the loud applause of the audience of white, middle-aged men.

Luyt said that the bitter row with government was not about Sarf but about Louis Luyt. "This was about someone being in the way, and, let me tell you,

I intend to be in the way for a long time to come," he said. He added that he would bow before no man – presumably not even President Mandela – only to God.

But last night, at the end of the Sarf executive meeting, the usually bullish Luyt looked uncharacteristically shellshocked. It is unlikely that he expected that eight of the 14 affiliated provincial rugby unions would turn against him.

The fear now is that the row over rugby's apparent failure to reach out to the black majority will spill over into an even more overtly racial conflict.

Mr George has warned that protesters will block any tour rather than sport.

With international isolation again looming for a sport which in the apartheid era earned a reputation for attracting racist and right-wing supporters, Luyt said little to take the racial sting out of the confrontation.

For big sponsors like Rupert Murdoch, who are funding the multi-million pound Tri-Nations competition between South Africa, New Zealand and Australia a fortune is at risk.

Silas Nkanunu, Sarf senior vice president and one of the four executive members to resign, said last night that the prospect for rugby was now "gloom" and that the blame rested squarely with Mr Luyt.

Sierra Leone success embarrasses Britain

By Steve Crawshaw



Kabbah: Back in control

A GOOD argument can be made for saying it is all Britain's fault. Britain ought to admit it, and say sorry.

The sit is not what the country may have known about plans to overthrow the (illegal) government of Sierra Leone. The real crime is different. Britain voted in favour of a United Nations arms embargo which made it difficult for the rightful government of the country legally to seize control once more.

Paradoxically, Britain may have taken a moral action – but illegally, and therefore is unable to defend it publicly. Bruce George, Labour chairman of the Commons defence select com-

is true enough, although it is a much more robust defence of the end result than can be heard from the Foreign Office.

While the junta was still in power in Freetown, Britain made clear its support for the ousted government – including inviting President Ahmad Tejan Kabbah to the Commonwealth summit in Edinburgh at the end of last year. But it found itself stymied by the UN arms embargo, unable officially to support a forcible change of government back to the *status quo ante*.

The irony of the removal of the military junta of Major Johnny Paul Koroma were already clear enough, even as the junta was driven out in February. Nigerian troops led the West African peacekeeping force which helped to drive out the old regime. The Nigerians – the pariah state of the

Commonwealth – insisted that there was no contradiction in helping to restore democracy in Sierra Leone while at the same time denying all possibility of democracy at home.

Now there is a double irony, as the British government, which has been one of the sharpest critics of General Sani Abacha's regime in Nigeria and one of the strongest supporters of President Kabbah, finds itself embarrassed by its own connection with the return of democracy. It feels unable to defend itself by pointing to the end result.

Sierra Leone was only just emerging from a prolonged civil war when the military seized power from the elected government in May 1997. Human rights

organisations were unanimous in condemning the junta. Amnesty International talked of a "complete collapse" of the rule of law. Arbitrary arrests, torture and killings were routine.

The retreating forces of Major Koroma's Armed Forces Revolutionary Council are reported still to be carrying out atrocities in the east, including limbs chopped off civilians.

President Kabbah may be no angel but he is much better than what went before. His government has made commitments to respect human rights. Supporters of the military regime have been charged with treason and murder, but Amnesty believes that "proper procedures" are being followed.

There is no question that she fired that gun. What is at issue is why she did it. When her trial opened in Warrenton, Virginia on Wednesday Ms Cummings, 35, pleaded not guilty to first-degree murder and the unlawful use of a firearm to commit a crime. Her case is that she acted in self-defence.

Villegas, 38, made an unlikely partner for such a wealthy woman. The son of poor farmers from the Argentine pampas, he came to the United States in 1983 as a groom for polo

Wealthy daughter of arms dealer shot her 'violent' lover

By Andrew Marshall
in Washington

ponies. He developed into a successful professional, and met Ms Cummings at the local polo club in the summer of 1995. She invited him to coach a polo team on her estate, and they became lovers. Cummings lavished attention and money on Villegas, buying him polo ponies at £10,000 a time.

Prosecutor Kevin Casey argues that the romance had turned sour, and that Cummings shot Villegas in a fit of jealousy. Blair Howard, her defence lawyer, says that Villegas was a dangerous man with a fierce temper who would draw his knife when things turned nasty.

"I treat my women and my horses the same way ... if I can't break them I kill them," Howard quoted Villegas as saying once in a fit of anger.

Cummings' family was hardly a stranger to death. Her father, Sam Cummings, who died in Monaco last week was a former CIA operative. He traded weapons to anyone who could buy through Interarmex arms trading company. One of his most successful product lines was a hand gun which he imported into the US: the 9mm Walther.

'Racing certainty' that MI6 knew details of Sandline operation

By Fran Abrams and Andrew Buncome

BRITISH mercenaries who helped organise a coup in Sierra Leone may have links with the intelligence community, it emerged last night.

MI6-watchers said that if the Secret Intelligence Service did not know about the operation involving Sandline International, a firm of "military consultants", then its head should be sacked.

If it did, it had a duty to inform the Foreign Secretary of any illegality that was taking place.

The reinstatement of President Ahmad Tejan Kabbah using arms flown into Guinea from Bulgaria via Nigeria apparently broke a United Nations arms embargo.

Sandline has maintained that it was acting with the approval of the government, but a Customs and Excise investigation has been launched. Senior figures in Sandline have long

experience of military intelligence. An employee of another company run from the same London office is a former senior British diplomat and a friend of the British High Commissioner in Sierra Leone, Peter Penfold.

Robin Cook was forced to promise an independent inquiry into the affair this week after it was revealed that Sandline's chief executive, Tim Spicer, met both Mr Penfold and Foreign Office officials.

Two key figures in Sandline have long experience of military intelligence. Rupert Allason, the former Tory MP and editor of *Intelligence Quarterly*, said it was a "racing certainty" that MI6 knew about the operation.

"If the SIS weren't aware of it then its chief should be sacked. Provided SIS doesn't become aware of any law-breaking, there would be no reason for it to intervene," he said.

Both Lt-Col Spicer and his deputy,

Simon Mann, have been involved in military intelligence. Lt-Col Spicer was a Staff Office director of Special Forces in 1991-92 in charge of "doctrine development" and in 1988-89 he was responsible for intelligence in the 11th Armoured Brigade in Germany. Simon Mann is a former SAS trooper commander specialising in intelligence who has worked as an intelligence expert in Saudi Arabia, Malaysia and Nigeria, among other countries.

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Relative values:
Yasmin with her
mother. She
disputes Hanif's
account of
life with their
parents



Family at war

Emotions are running high in the Kureishi household over novelist Hanif's depiction of his parents. David Lister sorts out the facts from the friction

SISTERS! They have this awful and embarrassing habit of telling the truth. So awkward for a writer or artist trying to tell the world how working-class/unloved/bulldog/neglected they were in their youth. You live an interview, write a book, make a film, about your traumatic early years. And then along comes your sister, who tells the world it wasn't like that at all.

Salman Rushdie once wrote how he had the feeling of growing up in quite a hillside house... my father bought a barge, he went out and bought someone else's... *au contraire*, responded his baffled sister Samreen, telling the writer Ian Hamilton, in new collection of essays, that their father "was in his field a very turned man. People would come to him as an authority." Then there is *Shine* pianist David Helfgott, chronicling in the Oscar-nominated film how he was abused and tormented by his father. Surely some mistake, hopped up his sister indignantly. Their late father lived on in her memory as a kind and doting parent.

And yesterday came the biggest celebrity sibling fall-out yet. It followed an interview in the *Guardian* with novelist and filmmaker Hanif Kureishi. His new book *Intimacy*, just like his acclaimed former novel and TV adaptation *The Buddha of Suburbia*, is loosely based on his own life.

No. Correction. They are loosely based on his account of his own life. He told the interviewer how he had lived in a two-up, two-down in the London borough of Bromley with his younger sister Yasmin, their parents and, not infrequently, grandfather, too, whom he describes as "cloth cap, working-class." Ah, he sighs, "When you are older and you go back, you think 'How did we ever live here?'"

Quite easily. And quite happily, retorts his sister. In a letter to the same paper yesterday, she delivers a full-frontal invective against her famous older brother. Even by the standards of family rows, this turns out to be strong stuff. Hanif, she implies – no, she states – has falsified their family history to make (yet more) money. She writes: "Does being famous mean you can deviate those around you and rewrite history for even more personal gain? In the article written about my brother, he has sold his family down the line... We lived in a pleasant semi, down a quiet cul-de-sac in Bromley. My grandfather was not a 'cloth cap, working-class' person. He owned three shops locally and he was a kind, warm man."

Auberon Waugh, editor of *The Literary Review*, yesterday suggested that Yasmin had failed to develop the prerequisite of being a novelist's sibling, an extremely thick skin. But there is more to

the Hanif/Yasmin falling out than damaged sensibilities. It is a perfect illustration of how the one group of people not prepared to mark the distinction between fiction and biography can be the novelist's own family. It is also an illustration of how celebrities can skillfully employ language to make their past life sound more fashionable, more interesting, more tortured, and how that version of history can hurt their family.

Hanif told the *Guardian* that his mother had a little job "as they were called at that time", working in a shoe factory, frustrated by her dependence on her husband. Not so, says Yasmin: "My mother never worked in a shoe factory [there are no shoe factories in Bromley]. She had several part-time jobs in the beginning, one of which was working for about three months in Russell and Bromley to help pay my school fees, as I went to a ballet school. My mother, after she left school, went to art college until the age of

21; she is an intelligent, articulate and not uncultured person. I am deeply saddened that it should come to this because I have felt so proud of Hanif and his achievements and have followed his success closely."

But Yasmin's real anger is clear, is about her brother's recollections of their father. She movingly declares: "The memory of my father I hold very dear and I will do anything in my power to ensure that it is not fabricated for the entertainment of the public or for Hanif's profit, and that the feelings of my mother and I are not hurt more than they have been already."

But examining Hanif's original interview, this *cri de coeur* from Yasmin appears a little bewildering. Hanif does not damn the memory of his father. On the contrary, he recalls how his father encouraged him to be a writer. The interviewer notes how Hanif will only speak of his father in the most courteous and loving way. "For me in particular," says Hanif, "he was very

devoted." That, interestingly, was a sentence that really stung Yasmin. She retorts: "He certainly wasn't particularly devoted to him." He loved us all equally." Did Hanif stop to think when praising his father by boasting of a uniquely close relationship that his sister might be jealous of that claim?

Yasmin goes on to reveal the pain *The Buddha of Suburbia* caused to her father, who died five years ago. "He felt that he didn't rob him of his dignity and he didn't speak to Hanif for about a year. The description of my father at the end of his life as a 'bitter man' is grossly and cruelly exaggerated. My father led a full and active life. He had his grandson, whom he adored, had me close by and we used to talk for hours in the garden about writing and life."

Actually, Hanif at no point describes his father as "bitter". True, he paints a picture of his father as a frustrated man. But *The Buddha of Suburbia*'s hippy father figure, who leaves the family home to run

off with the exciting Eva, is clearly unlike Kureishi's own father. One could argue that Kureishi is partly using the novel to explore the concept of a father following his desire and not accepting compromise.

Kureishi's new novel, *Intimacy*, is indeed about a man who does follow his desires and leaves his family, as Hanif has in real life. But to hold a novelist to account for literary explorations of philosophical concepts seems wrong. Yet that is the crucial point here. The novelist's family understandably cannot always make the imaginative leap from a character loosely based on a beloved parent to a fictional character used to explore ideas. Hanif Kureishi has failed to realise that his ovals like his exaggerated reminiscences for publicity purposes can hurt his family.

Rarely has someone expressed that profound hurt as directly and poignantly as Kureishi's sister Yasmin. And if Hanif Kureishi feels today that these are family matters that should remain private, he will not miss the irony that it was he who repeatedly made them public.

A novel, a film, an interview, a chat show reminiscence: they all impinge on the family who shared that life. Yasmin Kureishi has answered back. Henceforth, writers will be more likely to think of their sisters before sounding off.



Writer's block: Yasmin claims her brother Hanif (above) has rewritten history

Photograph: Peter Macdiarmid

A nation divided by the pension gap

More and more people are jumping at the chance to take early retirement, but David Walker warns if you're not financially prepared it isn't the right move

WORK is the new religion, now come the number of retirees is growing?

A survey from Income Data Services this week says that an increasing number of workers are getting out early, leaving their jobs before they have accumulated their full pension entitlement. Yet, since last May, the Chancellor and Prime Minister have preached the gospel of work – the cornerstone of their plans for welfare is work, more of it, especially for those in low or no incomes.

Actuaries are rubbing their hands because the age at which people officially retire is being raised to 65. Meanwhile, public service auditors are anxiously

insisting that local authorities stop so many teachers, firemen and police officers leaving work early. What is going on?

One actuary confirms that if you can get an employer to contribute to your pension, old age is going to be more comfortable, even if you go before the statutory retirement age. Occupational schemes work – for those employed by the same employer for long enough.

Until recently, the point applied equally to the public as to the private sector. In one of the "good" schemes (for teachers, civil servants, police and fire) the early retirement option, when manufacturing and mining were shaken out, Britain has an army – 2 million strong –

forties. If you can augment the scheme pension with some disability award – a favourite for police and fire officers – so much the better, although this gravy train may now be slowing down.

For those who have chopped and changed jobs, the outlook is bleaker, unless they have had periods of high income and have saved large proportions of it.

The upshot now and for decades into the next century is two nations among the elderly. The other trend has been evident since the early Eighties, when manufacturing and mining were shaken out: Britain has an army – 2 million strong –

mainly men, aged from their mid-fifties to their mid-sixties who are both physically and mentally capable of full-time work but who are more or less less.

Some chose to go, others were fired, most were "encouraged" by employers who, for reasons of cost or flexibility, appear to prefer younger people. They are geographically concentrated in London, the inner city and mining/industrial areas.

Socially and politically, they constitute an invisible group – but one, surely, a country anxious to maximise its human resources can ill afford to treat as labour market residue.

'I HAVEN'T HAD TIME TO WATCH TV'

"I DON'T really count myself as being retired," says Hazel Hawes. "I talk about the time when I left employment. If I didn't work now it would drive me mad."

Mrs Hawes, from London, used to run her own marketing company, finding products for the construction industry, but decided to get out when she was 56 and the recession bit. Now she divides her time between teaching exercise and line dancing as well as practising aromatherapy and the Bowen technique, an Australian technique which helps muscular and skeletal problems.

"Other people were scared for me when I gave up

work. I didn't feel the same way," she says.

Mrs Hawes believes that for people who have worked as more of a team there is a period of adjustment. "People have to realise that when you retire you are on your own. You have to be aware of the isolation. There is no one to bounce ideas off. Everyone is busy – even your family. It's easy for retired people to feel they don't matter to society. I think people should be educated not to think of retirement as doing nothing, but as going on working. I want to go on with dignity."

Peter Colley and his wife Barbara took early retirement – he was a town planner, she

problem. The other thing that you have to consider is your mortgage. We were lucky because ours matured when I was 60 and it's been very useful these past five years."

Mr Colley, who lives in Cockerham, Cumbria, found work as a part-time consultant, and then, with Barbara, became involved in running an appeal for the conversion of a school into the Kirkgate Arts Centre.

"We work very well together as a team and we get a lot of things done," says Mr Colley. "I don't think I've had time to watch the television since I retired. I have never seen a single soap opera and I'm proud of it."

Glenda Cooper



Retired early: Peter and Barbara Colley

Photograph: Michael Scott



Joe's 16th birthday was special. His cellmate hanged himself.

Joe had been on remand for over four months. He knew his cellmate was desperate. It wasn't just the bullying, it was what they were making him do.

It was lucky Joe was there. He held on to the boy till help arrived. His cellmate survived, but Joe ended up in hospital suffering from trauma. When his case came up, he didn't get a jail sentence, but he'd already learned everything there is to know about intimidation, theft and mugging.

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Judges strike a blow for freedom

HOW SWEET the sound! A loud clear blast on the trumpet of liberty from the Court of Appeal. Yesterday's ruling in the case of M S, the woman who was cut open against her will in order to deliver her baby, is a definitive statement of the rights of the individual against authority. "Even when his or her own life depends on receiving medical treatment, an adult of sound mind is entitled to refuse it," said Lord Justice Judge. The fact that M S was eight months pregnant when she was detained in hospital meant that the interests of the unborn baby had to be considered, but they did not justify her detention under a Mental Health Act order simply because she objected to any form of medical intervention. Her right to decide whether or not to undergo medical treatment is not diminished "merely because her decision to exercise it may appear morally repugnant," the appeal judges ruled.

Even more disgraceful – the Appeal Court says it was "most unfortunate" – was the way doctors obtained an order to deliver the baby by Caesarean section. The judge who made the order was told that M S was in labour, which was not true, and was not told that M S had not been assessed as mentally incompetent.

For some reason, attention in this case has focused on the actions of a social worker, who was – rightly – praised by the judges for her intervention in the case. No one with any knowledge of the case would argue that M S should have been left to her own devices: clearly she needed help. What she got, though, was Catch-22: her refusal to accept medical advice automatically defined her as mad. The real focus of attention should be the medical profession, the arrogance of some of whose members has been illustrated by a series of recent court cases. Women have been bullied and coerced into Caesareans and hysterectomies to an extent which is an affront to the liberal values of a civilised society. When *The Independent* reported the start of this case a year ago, we received a letter from a woman who had fled the country in order to be sure that she would be allowed to give birth naturally. Yesterday's judgment is a big step towards making this a country where women need not be afraid to assert their rights over their own bodies.

Monarchy: Blair must tackle the final taboo

MODERNISATION is the Blair government's great watchword, and looking around the tattered institutional landscape of Britain on the eve of the Millennium, it's out before time. Yet Mr Blair's renovating turns out to be a patchwork: radical here, timidly conservative there. Forward march in Scotland, glacial progress on the antiquated procedures of the House of Commons. This ambivalence is most obvious in Labour thinking about the monarchy. Huntin' and shootin', the acme – still – of undeserved deference and anachronistic class privilege, the monarchy limps into the new century. But, since Diana's death, Labour has declared an exclusion zone around the subject. Tony and Peter may chat to Charles and HM, but let no one else dare utter a threatening word.

Today however Canon Eric James breaks from deep Establishment cover to demand, in an article in *The Independent*, that the Government confront the contradictions now washing around Buck House. The advent of a republic in Australia; the abandonment of the hereditary principle in selection for a second chamber; the growing weight of the anomaly presented by the monarch's headship of the Church of England; to name James's list we would add the funny money of the British constitutional set-up – "prerogative powers" by which the existence of the monarchy covers up a multitude of power plays, including of course the ultimate power of selecting the Prime Minister in the event of a House of Commons logjam.

Tony Blair may think he has a strategy. But it seems to consist of grovelling with the Heir to the Throne to the strains of Cool Britannia and hoping that his clandestine trysts with his mistress do not get into the public prints. This will not do. There is, true, a deep well of public affection for the persons of the Queen and her mother. But a clear-eyed reformer will separate personality and institution. A truly modernising government would move forward on two fronts. First, the formal powers, patronage, honours and prerogative – isn't the incorporation of the European Convention on Human Rights a fitting moment to review the multiple anomalies associated with "the Crown"? Then, the palaces and the flummery and the retainers and the grace-and-favour apartments. They need to be slimmed and disbanded – the ultimate privatisation. What would be left would be more than enough for a modern polity. Just what is wrong with these particular Scandinavian-style attributes?

£1.5m? No thanks

THE BRITISH are an ungrateful nation, and now there's proof. Roger Rober gave away £1.5m of his lottery win and only seven out of the 150 beneficiaries bothered to thank him. It just goes to show the damage done to our nation's moral fabric by failing to force children to write thank-you letters. Which is, when you think about it, a surprising omission from the long list of puritanical improvements drawn up by the Government. If David Blunkett gets to hear about this, he will put Thank You Letter Writing on the national curriculum, backed up by a Good Manners Taskforce at the Home Office, chaired by Jack Straw. Mr Rober's 143 ungrateful recipients could be required to attend politeness classes. After all, we all want the chance to express our gratitude to the Prime Minister for his wise leadership over the past year, don't we?



Children who need help

Sir: Suzanne Moore's rubbishing of the ideas behind National Parenting Day (Comment, 6 May) does her little credit. As a prosperous, caring, single parent with strong middle-class social (i.e. moral) values, it is easy for her to say "people may want support when things go wrong but they don't want to be told how to do things in the first place".

What about the young mother who is a third – or fourth – generation urban savage: whose acquisition of social skills extended only to competing with her classmates to get laid by the biggest bully and, after exercising her right to give birth, being beaten or deserted? What about the youth who has never met his father, who regards girls as a commodity or a form of entertainment?

Their children are the ones who need support but they can't ask for it because the need – the desperate need – arises before they are born. This is why parenting and other basic skills of living in a civilised society need to be taught to those whose ancestral society broke down long ago. The Government must do this, if only because the resources required will be enormous.

JOHN LOGAN
Redditch, Worcestershire

Sir: Clearly Suzanne Moore feels that the Government should not get too concerned with family health.

But communication skills are the foundation of good relationships. How to become good parents and to maintain a satisfying relationship is something which is not routinely addressed in our education system. The schooling in this is likely to be from our parents, which may or may not be beneficial.

Perhaps there would be some merit in the Government considering ways in which schools and colleges could address the learning of emotional skills in the same way that they deal with numeracy and literacy skills. Being highly numerate and literate may give us more free time and money, but I doubt whether these skills alone give us the basis of a fulfilling life.

BRIAN HYNAM
Stafford

There are those who, when they see an empty taxi, assume it will stop for them and those who, when they see an empty taxi, know in their heart of hearts that it is already answering a call elsewhere.

There are those who get undressed to go to bed, and those who first get undressed and then dress up again for bed in pyjamas, night-shirts or similar.

There are those who spell it "yoghurt" and those who spell it "yogurt".

There are people who, when they see something they like the look of in a shop, promise themselves they will come back and get it later even though they know by bitter experience that it will always be gone when they come back, and there are those who go straight in the shop and buy it, and wish fervently later that they hadn't.

There are those who can shuffle cards

LETTERS

Post letters to Letters to the Editor and include a daytime telephone number
Fax 0171 293 2056; e-mail: letters@independent.co.uk E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

Sir: Working mother-friendly hours (City +, 6 May) are not necessarily child-friendly. It is not fair to expect a three-year-old to cope with a developmental assessment after its mother has come home from work at 5.30pm – just when all the child wants is tea, bath and bed. Trying to fit developmental checks or immunisations into evening surgery risks late-running appointments, as medical emergencies take precedence.

Child health clinics are run during the day when the children are at their best, and trained staff available to deal with any emergencies. They are usually timed so that mothers can get away in time to collect other children from school. Supermarkets may be able to stay open into the evening supported by teenagers earning pin money, but children need the attentions of highly qualified staff – who are frequently themselves working mothers.

Dr A M G BOUCHER
Basingstoke, Hampshire

Charity lifeboats

Sir: David Walker's attack on the RNLI in his discussion of the role of charities is ill-considered (Comment, 4 May).

That the operation of a maritime rescue service is a government responsibility is quite correct. The Navy and RAF provide rescue helicopters, and naval vessels will respond to any distress call within range. Nevertheless, the provision of the main seaborne rescue service by the RNLI means that the service is free from political interference, and allows a consistent and co-ordinated rescue service.

With the best will in the world, it is unlikely that the service would be so well equipped if it had to compete for funds with front-line warships, especially in years of repeated defence cutbacks. Think of the dismay with which mariners greeted the closing of smaller Coast Guard stations, and

how little notice the Government took of them.

The RNLI is not "fat". A fast deep-water lifeboat costs well over £1m and even with volunteer crews costs a great deal to maintain and operate. These boats cannot be bought off the shelf; the RNLI has to design them, and this takes a lot of time and money, which must be predictably available over periods of years.

The charitable status of the RNLI does commit the Government to some funding of its responsibilities in this area. The voluntary nature of the majority of its revenue means that the service is paid for by those who use it or sympathise with them, and so causes no resentment among inland communities who think they have no connection with the sea.

Why take it under government control when it works better as it is? Why forbid people to organise themselves to help one another and force them to instead rely on a remote and distrusted government?

KEVIN LOGAN
Cheltenham, Gloucestershire

Royalist riposte

Sir: Alan Williams MP says he was refused information on subsidised accommodation for royal employees ("More power for auditors to study royal spending", 1 May). A few weeks ago I wrote to Mr Williams to draw his attention to the secrecy which shrouds the cost of providing subsidised accommodation for officers of the House of Commons. I told him that when I asked the Palace of Westminster's public information office how many officers are provided with accommodation, and whether they pay rent, I was advised that the Sergeant-at-Arms would not make any such information available.

Mr Williams did not reply to my letter, which can only lead me to conclude that, while he wants to achieve greater openness over expenditure by Buckingham Palace, he believes

LISE COYLER
Press Officer
The Samaritans
Slough, Berkshire

that expenditure by the Palace of Westminster must not become public knowledge.

DONALD FOREMAN
Secretary, The Constitutional Monarchy Association
London E4

Choc tactics

Sir: Your article "Are chocoholics safe from the pods of doom?" (6 May) reminded me of a visit I made to the Procter & Gamble factory in Cincinnati back in the mid-1970s.

At that time, there was a world shortage of cocoa, and the boffins at P&G were working on synthesising a reliable substitute. A demonstration was arranged at a television cookery programme, in front of an audience, in which a cake was baked.

Members of the audience were invited to give their opinions on the various sensory properties of the cake – how moist, sweet, chocolatey etc. Of the 100 or so "tasters", more than half thought that it had a good chocolatey flavour – it was subsequently revealed that what they had eaten was nothing more than unflavoured sweet brown flour.

MICHAEL FISHBERG
London W7

Cyber-Samaritans

Sir: In response to Pandora's piece "Surfing samaritans" (5 May), I would like to add that The Samaritans regularly surf websites, such as alt.samaritans.org or (anonymously) samaritans@anon.twells.com. E-mail contacts have risen rapidly. Figures for the first three months of this year show a 143 per cent increase in contacts from the same period last year – 1,278 last year, 3,101 this year.

RICHARD WELCH
Denbigh

He's scored!

Sir: I'm in love! I'm in love! At last I've found a man desperate to avoid the World Cup. It makes my girlie little heart all aglow to know that Mr Right could be just round the corner, sipping champagne, not lager on the terraces, purchasing "proper" men's clothes and not a nasty nylon England strip! I refer of course to my new-found 'beard-throb', James McAndrews (letter, 6 May).

I was considering a desperate course of action, such as ringing Nasa and asking them to fly me to the moon for June and July. Escape seemed my only option. Is there anywhere a girl can go to avoid World Cup hysteria? Can anyone tell me? If not, I shall be joining James for champagne etc.

By the way, James, can you cook?

LUCY MAURICE
London W12

Inspecting Ofsted

Sir: Ofsted's methodology needs constant assessment if it is to help in the continual raising of school standards. But surely there is an easy explanation for the fact that standards in uninspected schools are rising faster than those that have been inspected (report, 6 May). Doesn't one tend to work harder in the period before an inspection than after one – especially if one knows that the next one is out due for four or five years?

The only astonishing thing about these statistics is that no one from Ofsted chose to present this interpretation as support for the system of inspections. And all the more surprising since, when I put the facts to a group of 12-year-olds, they offered this explanation within 30 seconds.

RICHARD WELCH
Denbigh

Gays and God

Sir: Tim Beach writes (letter, 2 May): "A good God cannot have created us in a powerful gay sex drive just to punish us for acting on it." Would he find this argument for sexual action as convincing were "child-love" to be put in the place of the word "gay"?

DEREK STAPLEY
Sheffield

Taxi etiquette, the vastness of the Universe and other issues that divide humanity



MILES
KINGTON

THERE ARE two kinds of people.

There are those who wave frantically at taxis which already contain passengers, and there are those who patiently wait for an empty one to come along.

There are those who, when they hear their telephone ring, settle themselves comfortably for a long chat before answering it, and those who lean over uncomfortably to answer it, assuming it won't last a minute.

There are those who blow out candles, and those who pinch them out with a moistened thumb and finger.

There are those who write leading articles in newspapers, and there are those who never read them.

There are those who can remove staples with their fingernails, and those who can only remove their fingernails while trying to remove staples.

There are those who, when they see an empty taxi, assume it will stop for them and those who, when they see an empty taxi, know in their heart of hearts that it is already answering a call elsewhere.

There are those who get undressed to go to bed, and those who first get undressed and then dress up again for bed in pyjamas, night-shirts or similar.

There are those who spell it "yoghurt" and those who spell it "yogurt".

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There are those who can shuffle cards

properly and those who only ruin the edges.

There are those who, when a taxi stops for them, get in and wait to be taken to their destination, and those who expect the driver to say, "Sorry, mate, not Heathrow – I'm going home to Cricklewood."

There are those who, when they take apples, nuts, and so on on a country walk, do so because they might get hungry, and those who take apples, nuts etc on a country walk to feed to horses, birds and other animals.

There are those who cannot bear to be in a room where a TV set is on without watching whatever is on the screen, and those who can be in a room without even being aware that the TV set is on.

There are those who peel cucumbers and those who don't.

There are those who take pride in park-

ing a car without touching the pavement, and those whose very first action when parking is to drive up on the pavement, and use it as the basis for subsequent manoeuvres.

There are those who say "CLEMatis" and those who say "cleanEIGHTS".

There are those who like pork pies, and there are those who are conscious that whatever is contained in pork pies, it is like no other form of pork ever seen in a butcher's shop.

There are those who, when getting into a saloon car taxi, think the driver will be offended if they rather snobbishly get in the back, and those who think he will be offended if they rather familiarly get in the front.

There are those who tend to think of "fresh cut flowers" as being "fresh" (i.e. alive) and those who tend to think of them as being "cut" (i.e. dead).

There are those who send off for free offers and those who always smell a rat... Full list of two different kinds of people – absolutely free! Just send off...

كذا من الأصل

Will Blair go all the way on electoral reform?



DONALD MACINTYRE
ON THE ROAD
WITH ROY JENKINS

LIKE a leading actor manager recalled from retirement for a comeback tour, Lord Jenkins is enjoying himself. And with reason. In Lecture Room One in Newcastle University's Herschel Building something big is stirring, something which may help to change the shape of British politics for good. Lord Jenkins, with enough elegant showmanship to remind you of the era when politicians didn't need to be spun, is chairing, not to say dominating, the last of the present series of public meetings held by his independent Commission on the Voting System. The meetings are peculiarly British occasions. Everyone is almost pathologically polite. At the end, a white-haired man in the front row rises spontaneously to thank Jenkins and his colleagues for coming to the city and wish them all success in their deliberations. Everyone, supporters and opponents of the present system alike, nods vigorously. "Thank-you," purrs Jenkins, "that was most courteous."

Charged by Tony Blair with establishing by the end of October an alternative to the first-past-the-post system to be put to a referendum, Jenkins briskly corrects a factual error here, congratulates a speaker for his succinctness there. And when he singles out for praise the knowledge and eloquence of Andrew Patience, a local further education lecturer in politics, Mr Patience positively glows.

The tribute is deserved. For Mr Patience makes a case for change that transcends both party interests and the trappings of initial spattered jargon politicians routinely use when they discuss electoral reform. This, he says, is a matter of the deep alienation from, and cynicism about, party politics of the 16 to 20 year olds he teaches. Their interest, he reports, goes little further than thinking *Spitting Image* is quite funny. For Mr Patience, as for many other speakers, solving this is in large part a matter of making voters feel their individual votes count in a way that, other than in the most marginal of constituencies, they don't now. "I have voted in every election since 1964," says one woman. "And I have never voted for an MP. I really mind about that." Jenkins himself saves his killer point, at least as far as Labour opponents of change are concerned, to the end of the meeting. In 1951, he points out, Labour secured more of the national vote than the Conservatives, more than it had in 1945, and more than Tony Blair's Labour Party in 1997. Yet the Tories were comfortably. Where was the fairness in that?

So where is all this leading? Today, by endorsing a directly elected mayor and an assembly, Londoners have also voted for another huge chunk of electoral reform to add to the

proportional representation systems in Scotland, Wales and Northern Ireland. But the big question, now being tackled by the Jenkins Commission, remains Westminster. Jenkins himself, it is safe to assume, would not have taken the job unless he believed that his friend Tony Blair was now prepared for some form of change. Jenkins' five-person Commission is highly distinguished. But its members are also worldly. They have no interest in adding to the long list of intellectually fertile, but utterly ignored, reports on the British political system. They will therefore want to recommend something that has a reasonable chance - at the very least in part - of being embraced by the Prime Minister.

Some in Westminster predict that Jenkins will propose something called AV-plus. This includes the Alternative Vote, in which electors tick all the candidates in order of preference. The second preferences are then reallocated until one candidate gets more than 50 per cent of the vote. Following boundary changes after the next election (which would reduce the number of constituency MPs), a top-up list of partly nominated candidates would be added to ensure fuller proportionality. Perhaps Jenkins will recommend such a creature: perhaps not. The Commission hasn't even collectively discussed possible conclusions.

But this is not the only course. Tony Blair's doubts about PR, famously long-standing, are regularly reinforced by Romano Prodi, the Italian Prime Minister, who implores him to remember how close it came to destroying his country. Blair frets about disproportionate power being given to small parties - though the leverage exercised by the Ulster Unionists in the 1992-7 parliament show that this can happen under the present system. Even after all the changes he has wrought in the Labour Party, he still worries that PR and the prospect, illusory or not, of permanent coalition with the Liberal Democrats would erode Labour's incentive to appeal to the middle ground. But AV (without the top-up) offers a middle course - though still a seismic one. Although under two elections since the war, 1945 and 1997, it would have accentuated the landslide, in every other case it would have produced a more proportional result than the present system. It maintains the purity of the constituency link and rules out the kind of closed party lists that nearly every speaker at the public meetings has denounced. And by clearly improving the fortunes of the Liberal Democrats - who after all have most to complain of in the present system - it increases the chances of keeping the Tories out if the two left-of-centre parties work closely together, perhaps in formal coalition.

My sense from talking around the government is that whatever Jenkins proposes AV, pure and simple, remains in the frame for Tony Blair - perhaps tied to a future review of the system after it has bedded in.

Many Liberal Democrats will not like this one little bit. They still hanker after the holy grail of pure proportionality. Paddy Ashdown has so far fought shy of fully confronting his party with the need for compromise. But they should consider the advantages: AV may stand the best chance of support in a referendum. It could be done for the next election because it doesn't require boundary changes and is thus proof against any prospect of a Tory victory at the next election. It is good for the Liberal Democrats. And who knows? It could yet help to usher in the Blair-Jenkins dream of making the next century the "radical" century as the 19th was the Conservative one.

Don't criticise 'victimvision' - that's where people really are themselves



SUZANNE MOORE
ADDICTIVE
TELEVISION

I HAVE a terrible confession to make. I like seeing "ordinary people" on television. I like to see them crying and brawling and boasting and generally carrying on. Does this mean I am an addict of the sordid "Victimvision" that is supposedly taking over our TV screens and which this week the Independent Television Commission has criticised. Or am I simply a cold-hearted voyeur, a tourist of other people's misery, hooked to the modern day freak show that flows into our living rooms?

Quite possibly. But I have been this way for a long time. Until recently I had to go to America to get my fix. Oprah, Geraldo, Sally Jessy Raphael, Ricki Lake and of course why old Jerry Springer have at times stopped me seeing much of the country I was actually in, so glued have I been to the TV set. Now, thankfully, I don't have to get on a plane to see this vision of America. It comes to me directly and indirectly through our pale imitations of the real thing: Vanessa, Kilroy and Esther.

Our versions ooze social,

even educational concern in order to promote a veneer of respectability. Nonetheless the increase in this kind of output, particularly on ITV, is causing anxiety. Sarah Thorne, of the ITC is worried about confessional television: "Our concern relates as much to ensuring that vulnerable people are not exploited." Anthony Smith, a founder of Channel Four, commented about Oprah, "I've never been able to watch it without unease." Well, I've never been able to listen to Radio Four without unease, the relentless middle-brownness of it all makes me want to join Class War. You see, I am very suspicious of anyone who wants to protect us from ourselves.

There may be those who do not want to see "ordinary people" on TV talking about race, violence, betrayal, the paranormal and what the *Daily Mail* describes as "unusual lifestyles" but I do. Some of this is shocking, some of it is entertaining and very occasionally it is enlightening. Oprah Winfrey's team for the abuse she suffered as a child made it a lot easier for a lot of less privileged, less famous women to talk about theirs. Yes, it's schmaltzy, American, over the top and embarrassing. Raw emotion is often not very tasteful. Shall we sweep under the carpet the fact that many ordinary lives are full of extraordinarily messy experiences?

Only yesterday I watched perfectly ordinary couples on *Kilroy* talking about male impotence. Every single man said he had thought he was the only guy in the world to suffer from this problem and had suffered in silence. A monstrously cheery woman in a loud jacket demonstrated a huge pump which she gaily announced would produce "a lovely erection". Now you may not want this sort of thing at coffee time but surely you must accept that such issues are better out in the open. Silence is not golden, it is often sheer bloody hell. Was this exploitation or actually quite brave? Was it helpful or trite? Or perhaps all of these things at once.

While newspapers are increasingly full of confessional journalism about columnists' cats, cancers, divorces and diets, some of brilliant, much



Who's afraid of confessional television: Vanessa Feltz keeps on top of the action

Photograph: Rex

The chattering classes, most of whom, would if they got the chance appear on Tasmanian TV at two in morning in order to discuss *The Third Way* become dreadfully worried that lesser mortals might make fools of themselves. Of course sometimes they do. Jerry Springer regularly features people who are clearly one guest short of a chat show (i.e. the "I cut off my penis with garden shears" variety). Eve for the acutely insane the show must go on. However in my experience "ordinary people" enjoy appearing on television enormously even if they come across as mad, bad or sad. They video themselves with pride. Why? Because somehow appearing on TV feels more real to people than their real lives. Rightly or wrongly it is a vindication, a validation that they are somebody. As Michael Collins said "In the future everybody will be ordinary for fifteen minutes."

I have witnessed this. One man, who volunteered to have his chest waxed, and was kept waiting by a film crew for four hours and bled when the dead was finally done, told me it was one of the best days of his life. His face wasn't even filmed but he could point out his bleeding torso to his mates when it appeared on the box. Likewise I have seen wronged wives crying once and then crying again for re-take because the director has asked them nicely.

In a fragmented and secular society, the public confessional with its promise of false intimacy has permeated every aspect of life. You may not have an extended family or even many friends but you can still see the dirt dished even by those who are obviously vulnerable. The current concern about the reconstructed truth of documentaries and the acting up for the cameras by those who somehow do not know any better is a serious one. Yet it is clear that those who appear on TV often take the whole business far less seriously than those who express moral outrage at the exploitation of the lower classes. In America, particularly, the studio audiences feature those who otherwise have little media access. Feisty black women and white trash mutants are all part of this democratic genre.

If you think this amounts to a freak show and who ever watches it is merely indulging in their voyeuristic impulses, you should, I suggest, get out of the house more often. Perhaps it would be better if ordinary people were banned from our screens altogether and then we could convince ourselves that the world is really populated by articulate, rational, middle-class types who never feel the need to pour out their hearts. Yet this reconstruction of the truth is one that makes me feel far more uncomfortable than any amount of "sleaze TV".

Yes, it's
schmaltzy,
over-the-top
and American

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Help! We never knew governing would take so much time

Our 'knackered'
New Labour
ministers confide
their woes to
Colin Brown

TWO ministers were travelling to London on the train last Monday preparing for another week at the Westminster treadmill, when one of them asked: "How do you feel when you wake up?"

His colleague was surprised by the question, but answered: "Knackered."

"That's exactly how I feel," said the other minister.

The two are middle ranking

ministers in the Blair Government, young, dynamic, and not given to fainting go as at the thought of hard work but the most Blairite of ministers are beginning to wilt under the strain of government.

The strain is also beginning to show in the Prime Minister.

The first anniversary of Tony Blair, even after staying up all night to celebrate the 1 May victory, showed a sharp contrast with the dark rings under the Blair eyes a year on. "Tony's knackered. We're all knackered," confided the minister. Gordon Brown, the Chancellor, appears tired to other ministers and the rings under John Prescott's eyes seem to have got a little darker.

They are not complaining about the burden of office, but

they are concerned that the quality of government will inevitably go down, as their reserves dry up. They appealed at the sheer volume of material that crosses their desks. "It's a crazy way to run government," he added.

Some ministers have had private discussions about how they can streamline the business of government to reduce the workload but they see no easy solutions. One minister has told his officials not to present him with any decisions for spending approval of less than £15,000. Others have discussed how they can take more time off with their families.

Westminster has long been a graveyard for ministerial marriages, but the strain of bringing up a young family at long

distance is beginning to tell. The Prime Minister's own aides have informally sounded out ministers on how they and their families are coping.

Clare Short surprised colleagues by telling her office that for one weekend she would be out of contact. The minister for international development was making up for lost time by having a family weekend with her recently rediscovered adult son.

Some of her colleagues have taken to similar tactics at weekends in order to preserve family life. One minister with a young family in the North insists on keeping Saturday and Sunday for his family; the answering machine is permanently on, and rarely answered. "I have to go up to the constituency surgery on Fridays. It's tempting to say I'll give it a miss, but it's important to keep in touch. That means I can get to see the family at the weekend as well. I've thought about bringing them down to London to live, but there is a downside to that, so we see each other just at weekends."

Being in Opposition was hectic, but it never prepared the young ministers for office and the weight of paperwork that has to be dealt with: the numbers of written Commons answers that have to be read and approved has been steadily rising; in spite of the shorter sittings of the Commons, junior ministers have to be around late at night to answer adjournment debates; there are ministerial committees to attend; and visits to go to. And then there are the decisions to take.

Executives in the modern business world are being told that being the last to switch off the office lights does not mean you are working hard. It could mean that while your colleagues are relaxing in the pub, you are inefficient and too overstressed to cope properly.

PANDORA

Make mine water

The landlord of The Bernard Arms, the pub adjacent to the gates of Chequers is furious at Black Dog of the *Mail on Sunday*. Last week the column carried a "quote" attributed to him about telling Tony Blair that his business was being ruined by "bootleggers selling cheap drink and tobacco from France". The pub's landlord, Reza Karimi-Nik, told Pandora, "I don't know where they got these words from. I never spoke to Tony Blair. And I never spoke to anyone from the *Mail* about such a thing." He has sent a letter via his solicitor demanding an apology. Tony Blair is a frequent visitor to the pub. And what is his favourite tipple? "He usually sticks to mineral water."

ties, so all eyes will be looking to see who treads the Krug carpet this year.

Not these eyes, and definitely not that carpet.

Oldman's bash

Some weeks back, Pandora saluted actor and director Gary Oldman for finally convincing his mother to give up her South London flat and her job in a cafe to join him for the good life in the Hollywood Hills. However, if recent reports about Oldman's 40th birthday party are correct, Pandora is not so sure. Along with friends Matthew Modine, Steven Baldwin and Stegan Seagal, Oldman and his mum were entertained by a stripper, vintage porn films and a floating bonfire in the middle of the pool.

Bear hug

PANDORA salutes Russian President Boris Yeltsin. On Wednesday, Boris sent Tony Blair a very warm message congratulating our Prime Minister on his 45th birthday. According to the Russian press, Boris wished Blair "health, happiness and success". His letter began "Dear Tony" and ended with "Hugs".

Hot favourite

The controversy about the Carlton drug documentary *The Connection* will have enormous repercussions within the TV industry. The timing of the *Guardian's* scoop couldn't have been better from the point of view of Granada. Pandora will watch with interest as ITV later this month awards a current affairs franchise for 40 one-hour documentaries, worth £10m a year. The two front-runners were thought to be Granada and, yes, Carlton. Until the *Guardian's* allegations, Granada was seen as less likely to emerge the winner. Their flagship series, *World in Action*, has recently been accused of "bias", and its ratings have slipped. Now all that has changed and Pandora's money is firmly on Granada to win. Unfortunately, these commercial ramifications have not been mentioned by the *Guardian*. Of course there is no commercial relationship between the *Guardian* and Granada, but the two outfits share a cordial friendship, particularly since the Aitken libel case turned into a joint triumph for them both.

Bankers' \$200m bonanza as Daimler and Chrysler tie the knot

Germans dominate in \$90bn merger

By Peter Thal Larsen
in London
and David Usborne
in New York

DAIMLER-BENZ and Chrysler yesterday announced their plans to create one of the world's largest car manufacturers in the largest ever industrial merger.

The deal will create a global giant with a market capitalisation of \$90bn (£54bn), revenues of more than \$130bn, annual unit sales of 4m and a workforce of 421,000.

The deal, which came just 24 hours after the two giants announced they were in merger talks, came as another German carmaker, VW, pipped its rival BMW in the battle for control of Rolls-Royce.

Jürgen Schrempp, Daimler-Benz chairman, hailed the deal as "an historic merger that will change the face of the industry."

Though Mr Schrempp and Robert Eaton, his counterpart at Chrysler, hewed the agreement as "a merger of equals" industry observers said that Daimler-Benz had gained the upper hand.

Daimler-Benz shareholders will hold 57 per cent of the shares in the new company - to be called Daimler Chrysler - while Chrysler shareholders will control 43 per cent.

Daimler Chrysler will be registered in Germany and have a German-style two-tier

board structure. It will have head offices in Stuttgart and Auburn Hills, Michigan, and its shares will be traded in Frankfurt, with a secondary listing in New York.

The two companies chose London as the venue to announce details of the deal. Mr Eaton said the choice was representative of the fact that Daimler Chrysler would be a "truly global company".

Mr Schrempp and Mr Eaton will oversee the merger as joint chairmen and chief executive officers. However, Mr Eaton announced he would step down from the board after three years, leaving Mr Schrempp in charge.

Both stressed the deal was not about cost-cutting. The geographical overlap between the two companies is minimal, with Chrysler making 89 per cent of its revenues in North America while 65 per cent of Daimler's sales are in Europe.

The product ranges are also complementary. Through its Mercedes-Benz brand, Daimler concentrates on luxury passenger cars, trucks and heavy vehicles. Chrysler makes the cheaper Dodge cars as well as Jeep four-wheel drive vehicles.

The fit means that the deal is unlikely to face objections from competition authorities.

Daimler and Chrysler promised there would be no redundancies or plant closures.

Mr Schrempp described the figure as "conservative".

However, both companies



Jürgen Schrempp with Robert Eaton of Chrysler at a news conference in London yesterday

Photograph: Nina Choada

create jobs on both sides of the Atlantic," Mr Schrempp said.

Both firms are currently stretching their capacity to the limit to meet demand. One benefit of the merger will be that they will be able to make better use of the capacity they have. "That's the beauty of this merger when you do it at the right time," said Mr Schrempp.

Nevertheless, the merged company is planned to produce cost savings of \$1.4bn in 1999. The firms told analysts that

combining their purchasing operations would allow them to save \$300m on their \$600m annual purchasing bill by negotiating better terms. Further savings would be made by combining research & development.

Within three years the company plans to have saved \$3bn by sharing technology and working practices and making better use of existing capacity.

Mr Schrempp described the savings as "a bold initiative to build upon its strong domestic position and stay ahead of the curve in the up-slope."

Meanwhile the Tracinda Corporation, the holding corporation headed by Kirk Kerkorian and which has a 13.75 stake in Chrysler, welcomed the deal, describing it as a "bold initiative to build upon its strong domestic position and stay ahead of the curve in the up-slope."

Shares in other European car makers also surged as investors revived hopes of further consolidation. Analysts said Ford and Fiat, the Italian group, were favourites follow Daimler and Chrysler up the aisle.

As the largest shareholder in Chrysler Mr Kerkorian has

gained more from the effective

sale of the smallest of the big three US car manufacturers than anyone. A combined investment in the car company of

about \$1.4bn is now estimated

at close to \$5bn.

Mr Kerkorian, bought his

first batch of Chrysler stock,

representing about 10 per cent

of the company, in 1990, when

the company was struggling

through the recession. He

topped up his interest in sub-

sequent years. The average

price of his share purchases

comes to about \$13.82 a share.

Mr Kerkorian might have

accumulated still more

Chrysler stock had it been for

a peace deal he reached with

Robert Eaton in 1996. After

launching a distinctly un-

friendly bid to take over the

company in 1995 with his friend

and former Chrysler CEO, Lee

Iacocca, Mr Kerkorian agreed

finally to lay down his weapons

and limit his stake to under 13.8

per cent.

Although most observers

agreed that Daimler-Benz had

the upper hand in the merger,

analysts wondered whether its

shareholders had fared as well.

"Chrysler have got a good deal.

They're much more cyclical

than Daimler and have strug-

gled in the past two recessions.

The future is only getting

tougher," said one leading an-

alyst, adding that the addition

of Chrysler's earnings, which

are more sensitive to the eco-

nomic cycle and are therefore

seen as lower quality, could

wipe out Daimler's premium

stock market rating.

Outlook, page 23

An American icon, page 18

turn Chrysler into a real competitive

threat to the two giants of the US car in-

dustry, GM and Ford, is another matter.

Chrysler has continued to lose market share

to its bigger domestic brothers and the

Japanese are its attempt to take the car

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The prestige that link to Mercedes will

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said yesterday with ominous under-

statement: "We are always flexible and can

respond to changing business conditions

and opportunities."

Marriage may trigger a new wave of consolidation

By Michael Harrison

THE MERGER could trigger a wave of consolidation across the rest of the car industry. But the intriguing question is what sort of alliances might emerge. Daimler's takeover of Chrysler, for all its size, is not really about cost-cutting, nor is it aimed at removing some of the chronic excess capacity with which the world's automotive industry continues to be burdened, particularly in Europe.

In terms of both product range and geography, Germany's second biggest car maker and the number three player in the US market are a near perfect comple-

mentary fit. Although it has launched both a sports utility vehicle and a small A class car, Daimler's strength remains in the upper reaches and its area of dominance is Europe. Chrysler, by contrast, is more of a light truck producer these days than a car manufacturer. Last year it produced 1.2m Jeeps, utility vehicles and pick-ups against only 450,000 passenger cars. Its market is overwhelmingly the US.

There will be opportunities for cost savings - Daimler puts the potential at \$500m through joint component purchasing and the streamlining of sales and distribution channels. But it will not be a cost-driven merger like some that have been con-

templated before, such as the abortive negotiations a decade ago about merging Ford and Fiat's European car operations.

Recently the pace of consolidation has

quicken. Fiat has swallowed Lancia and

Ferrari, Volkswagen/Audi has taken Seat and

Skoda under its wing, BMW has acquired

Rover and Saab has come under General

Motors' control. But there is still surplus capacity and a received wisdom that ultimately the world car industry will be divided up among a dozen global players at most. That suggests two or three predominant Asian manufacturers - centred perhaps around Toyota and Nissan - two US contenders and three, perhaps four European groups.

Professor Garel Rhys, director of the

Centre for Automotive Industry Research at Cardiff University Business School, thinks that Daimler's two German rivals may have most to worry about after yesterday. In terms of light vehicle sales the merger puts Daimler within a whisker of VW and gives it a powerful presence in the off-road market where VW has none.

Meanwhile BMW's acquisition of Rover continues to be an expensive distraction. Rover has yet to produce a profit after £273m, against a £188m payout under the BMW bid.

Roger Lyons, general secretary of the MSF union, which

has so far welcomed the BMW deal, said: "We were very laid back about the BMW bid because we have a very positive re-

turn Chrysler into a real competitive threat to the two giants of the US car industry, GM and Ford, is another matter. Chrysler has continued to lose market share to its bigger domestic brothers and the Japanese are its attempt to take the car range up-market has had limited success.

The prestige that link to Mercedes will bring might just do the trick but it will be a mighty expensive exercise for Daimler and there can be little doubt that GM will hit back. As the world's biggest car maker said yesterday with ominous under-

statement: "We are always flexible and can respond to changing business conditions and opportunities."

Chaos over Thomson shares

By Andrew Yates

Thomson, the UK's largest tour operator, is facing a barrage of complaints from private investors unable to buy shares in its flotation.

Thousands of people have missed out because they failed to receive application forms in time to return them for yesterday's noon deadline.

Thousands of others who registered at the last moment

said: "We tried to encourage people to get their forms back early especially with the Bank Holiday. We believe that a few thousand people have not been able to receive shares."

The strong demand for shares is likely to mean they will be priced at the top end of the 140p to 170p range given by the company. The final price will be announced on 11 May.

A Thomson spokesman

said: "We tried to encourage people to get their forms back early especially with the Bank Holiday. We believe that a few thousand people have not been able to receive shares."

The strong demand for shares is likely to mean they will be priced at the top end of the 140p to 170p range given by the company. The final price will be announced on 11 May.

A Thomson spokesman

interest rate rises, analysts said. Interest rates have risen five times in the past year. The last increase, in November, took them to 7.25 per cent compared with 6 per cent at the start of May 1997.

The pound reacted yesterday with a further 3 pence fall to just over DM2.90, its lowest level since December. One respected economic forecasting

group predicted sterling would

fall to DM2.75 by the end of

this year.

There were also fresh signs

that growth is slowing to a

more sustainable pace with a

survey of high street trading by

the Confederation of British

Industry (CBI) showing that,

while sales bounced last month

after a dismal March, the un-

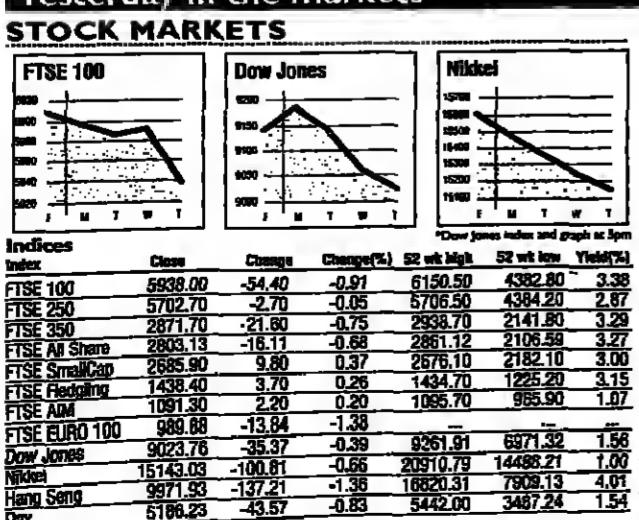
derlying trend had declined.

"Interest rates have reached their peak. The very weak performance from industry has settled it," said Kevin Gardiner, UK economist at Morgan Stanley.

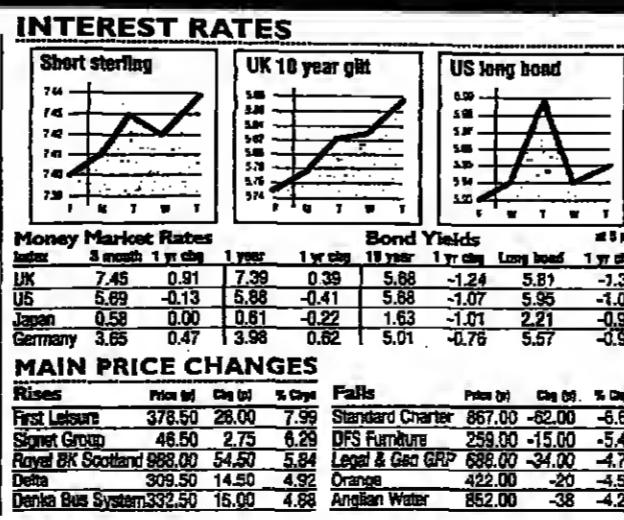
Kate Barker, the CBI's chief economist, welcomed the decision by the Bank's Monetary Policy Committee, and said the next move should be a cut in borrowing costs.

Yesterday in the markets

STOCK MARKETS



INTEREST RATES



the knot
trump
Is rival
h £430m



OUTLOOK
ON THE
IMPLICATIONS OF
YESTERDAY'S
TRANSATLANTIC
MERGER AND
WORRYING SIGNS
FROM THE FAR EAST

Daimler walks away with the big prize

THE most obvious winner from yesterday's astonishing trans-Atlantic merger of Daimler-Benz and Chrysler is not Stuttgart or Detroit, but London, the neutral, international ground on which the two chose formally to announce their marriage to the world. London was apparently chosen because it was "easy to get to" and sent the right message to the world. This deal is nothing to do with the single currency, the factor that seems to be driving most consolidation in European industry. Juergen Schrempp, chairman of Daimler, insisted.

Rather it is intended as a truly global alliance in an industry, automobiles, which is one of the few to boast truly global brands. London seemed like the most appropriate place for such a deal. London is where the international investment community is based and in any case, it just wouldn't have been diplomatic to hold the presentation on either German or US soil, would it? That might have seemed too much like a takeover and national sensitivities would have been upset consequently.

Unfortunately, once the marketing hype is discarded, that is precisely what we find – this is a German takeover by Daimler of its weaker American counterpart in almost every respect. Daimler gets the lion's share of the stock, a disproportionate number of executive positions, and once Robert Eaton bows out in three years time, Mr Schrempp will be left in sole control of the top job.

Even in name, the new combine will be a German company, an Aktiengesellschaft, or AG, rather than an Inc, and

it will operate under the German model of co-determination, complete with a supervisory board with union representation. Quite what American stock markets will make of this altogether alien concept, is anyone's guess.

The bigger question, though, is whether the daunting cultural differences that managerialise separate these two companies can be bridged, so that the new company operates on a unified basis.

Certainly they are complementary in terms of geographic spread and product. Daimler is strong in Europe, Chrysler in North America. Daimler's strength is in top-of-the-range cars, Chrysler in vans, jeeps and people carriers. As a result, the deal should encounter few regulatory obstacles. Indeed, this partly explains why Juergen Schrempp went to the US for a deal.

Any takeover of size in Europe would have sparked immediate competition problems and, despite currency union, would probably have stirred national passions a good deal more vigorously than the link up with Chrysler will.

While Volkswagen and BMW have been slogging it out over the amusing but faintly irrelevant British sideshow of Rolls Royce Motors, Daimler has kept its eye on the big prize – America's third largest vehicle manufacturer – and stolen it from under their noses. We shouldn't altogether discount the possibility that someone will break in to spoil the party, but it seems doubtful anyone else has done the degree of necessary homework undertaken by these two.

All the same, there won't be another

chance like it; Ford and General Motors are too big to be swallowed, and in any case, it is hard to see any other combination of size which is as neat a fit as this one. Ford and Fiat, for instance, eventually founded because of the degree of overlap between their models. On one level, it is a clever game that Mr Schrempp has played. By wooing Chrysler over a three year period and finally winning his hand, while his two German counterparts hatched after the trophy asset of Rolls Royce, he has probably ensured that Daimler will always be hunter rather than hunted as the inexorable process of consolidation among the world's vehicle manufacturers continues to accelerate.

However, some of these strategic considerations should be allowed to disguise the very considerable management challenge posed by this merger. The two companies may be a good fit, it may even be possible to achieve the economies of scale boasted of yesterday without closing factories, but making it work is going to be tough.

The important point here is that the two companies are the product of entirely different economic models and traditions. Even among national competitors, blending rival cultures together in a way that doesn't produce years of debilitating infighting, is hard, often to the point of impossibility. Think of the difficulties when structured German communarian capitalism meets anarchistic American style free market practices.

One possible beneficiary of the fallout is British Aerospace. Once this deal goes through, the balance and focus within

Besides, there is little overlap between goods imported from Asia and goods produced at home. So the huge devaluations of the rupee, ringgit and baht will not crowd out Made in Britain labels from the high street and consumers better off. Fears of dumped consumer goodies hitting UK plc seem to be misplaced, if only because we don't make our own any more.

Japan's stagnation is more worrying for world growth prospects. No doubt the Japanese Finance Minister will get another ear-bashing from his colleagues this weekend. This is a bit unfair because the policies the Americans and others are urging on Japan are precisely those they have renounced themselves. It is hard to imagine Gordon Brown prescribing huge tax cuts and whacking great increases in public spending for the UK economy when it slows down. Nor is anybody sure that these policies will do the trick, making this course even higher risk given that Japan has the worst long-term fiscal position of any of the G7 economies.

However, the biggest worry of all must be what happens to China. Fears that this economic giant will become destabilised as a result of the Asian crisis have resurfaced. The Chinese economy is so big that any pronounced slowdown or recession might impinge noticeably on the rest of the world. More frightening still would be political instability triggered by economic and financial turmoil. The prospect of civil war in Indonesia is alarming enough, but upheaval in China would really give the G7, not to mention Wall

Worries over China

WHENEVER the G7 finance ministers are meeting, as they are in London today and tomorrow, Asia manages to push itself to the top of their agenda. The ministers are here to agree a report on the region's troubles which is to be delivered to heads of government in Birmingham in a week's time. With more rioting in Indonesia, new question marks over the Japanese economic revival package, and a fresh slide in the region's share prices and currencies, what should its conclusion be?

So far there has been so little spillover from events in Asia to the western economies that a powerful magnifying glass is needed to spot it. Trade deficits among the G7 will be higher and inflation lower than otherwise. But this has come to be seen as good rather than bad news, for without a bit of a chill from Asia, the overheating US economy would need to have been cooled with an early interest rate rise.

This lack of contagion ought to come as little surprise, for all the professional gloom on the part of publicity-seeking pundits. For example, UK exports to South East Asia are equivalent to exports to Ireland.

bank, suggesting that the country would face economic problems unless the yuan was devalued in the second half of the year.

These suggestions fly in the face of repeated assurances by Chinese leaders that there is no question of devaluation. Yesterday Tung Chee-hwa, Hong Kong's chief executive, joined the chorus, telling an international conference that China would stick to its policy.

The Indonesian currency fell quickly when trading began yesterday, dropping to below 10,000 against the dollar, although it picked up to 9,300 by the close. This still represented a dive compared with its 8,850 level on Wednesday.

Rioting alarms Asian markets

By Diane Coyle
Economics Editor

RENEWED rioting in Indonesia, met with a sharp crackdown by the authorities, sent tremors through the Far East markets yesterday as investors grew alarmed about possible contagion from a political meltdown.

This week's political and financial jitters in the region have put the Asian turmoil firmly back at the top of the agenda of G7 finance ministers meeting in London today and tomorrow.

The concerns spilled over to London and New York. The FTSE-100 index ended 54 points lower at 5,938, while at

midday the Dow Jones Industrial average was 42 points down at 9,012.30 and heading for the 9,000 barrier.

These followed a fall of 101 points in Japan's Nikkei 225 share price index to 15,143.03 and a 137 point, or 2 per cent, drop in the Hang Seng index to 9,971.93, below the psychological barrier of 10,000.

In Hong Kong concern about Indonesia was coupled with rumours of a possible devaluation of the Chinese currency.

Fears of a devaluation have been overhanging the markets for some months. Yesterday's jitters were sparked by reports of a paper delivered by the chief economist of the People's Bank of China, the country's central



RBS chiefs (from left) Bob Spiers, Lord Young and George Mathewson, at yesterday's results announcement

Slow start for RBS and Virgin

By Paul Routledge

VIRGIN ONE – the banking joint venture between Richard Branson and the Royal Bank of Scotland (RBS) – has signed up less than 1,000 account holders. But RBS said it had had "thousands" of expressions of interest and was processing lots of applications. The bank estimated it had a loan book worth £250m "in the pipeline".

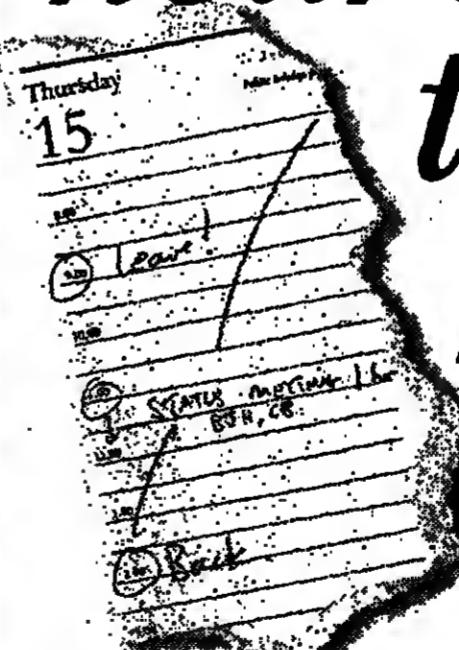
Industry observers were surprised at the relatively low number of customers that have signed up with Virgin One, which attracted substantial press coverage on launch last autumn.

The Virgin joint venture lost £5m in the first half of 1998, and RBS's Tesco joint venture lost £23m. The bank said it hoped its supermarket banking venture, which has around 600,000 customers, would break even in the year 2000.

The bank also said it is in no rush to resolve the deadlock over Birmingham Midshires, the building society that accepted a takeover offer from RBS but is seeking to break the agreement and go for a higher offer from Halifax.

In his first public comment on the long-running saga, George Mathewson, RBS chief executive, said: "We hear what Midshires are saying, and we listen, but we don't know what's going to happen. We are not under any great pressure. It is not something that occupies much of my time."

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Investment column, page 24

COMPANY RESULTS					
	Turnover £	Pre-tax £	EPS	Dividend	
Abingdon (F)	85.54m (87.2m)	4.18m (3.59m)	12.2p (3.2p)	4.5p (3.1p)	
Avon Rubber (I)	128.05m (169.50m)	10.5m (15.6m)	26.5p (42.5p)	8.8p (8.15p)	
Wicks Clothing (F)	10.7m (9.1m)	0.937m (1.05m)	6.1 (8.9p)	1.0p (-)	
Clyde Divers (I)	35.0m (26.51m)	0.945m (1.08m)	2.48p (0.54p)	2.87p (2.57p)	
Car Insurance (F) with	- (-)	20.34m (12.39m)	13.3p (10.0p)	3.2p (2.9p)	
Exxon Petroleum (F)	34.07m (34.89m)	0.913m (0.929m)	5.08p (5.02p)	3.85p (3.85p)	
Filinvest (F)	822.33m (713.13m)	119.72m (71.61m)	7.01p (7.01p)	18.5p (18.0p)	
Lyco Group (I)	80.39m (53.91m)	5.5m (3.7m)	3.65p (2.58p)	0.55p (0.5p)	
M & G Group (I)	- (-)	38.1m (33.2m)	33.6p (30.4p)	18.5p (18.0p)	
Prudential (F)	178.6m (134.8m)	16.8m (17.7m)	15.5p (6.1p)	4.6p (4.0p)	
Royal Bank of Scotland (F) (-)	448.0m (398.0m)	32.4p (24.3p)	7.13p (5.20p)		
Scalpene Group (I)	34.74m (33.40m)	4.05m (3.51m)	6.2p (5.9p)	2.7p (2.9)	
Shankill Holdings (F)	225.0m (212.3m)	16.8m (14.3m)	24.6p (21.6p)	11.3p (10.2p)	
Tid Holdings (I)	11.77m (14.71m)	0.259m (-2.03m)	0.08p (-2.53p)	nil (nil)	
Violent Group (F)	500.4m (560.5m)	78.7m (99.0m)	13.4p (21.8p)	23.0p (20.5p)	
Wynfield Group (I)	6.15m (6.28m)	-0.458m (-0.357m)	1.9 (-1.3p)	nil (nil)	
Barclays (F)	265m (263.8m)	38.1m (26.5m)	11.4p (8.5p)	3.0p (3.0p)	
Reuters Group	57.2m (55.1m)	7.18m (8.0m)	6.7p (9.7p)	2.4p (2.2p)	
BT Entertainment (F)	5.14m (5.07m)	1.42p (-4.29p)	10.6p (-41.03p)	nil (-)	
Services (I)	18.0m (22.3m)	0.17m (0.97m)	2.0p (2.0p)	5p (5p)	
Shires & Fisher (I)	98.6m (93.7m)	2.01m (1.54m)	7.2p (4.8p)	2.1p (1.8p)	
Shire Pharmaceutical's (F)	23.1m (21.0m)	-0.1m (2.78p)	-0.2p (5.8p)	nil (-)	
Hiscox Steel Apparel (I)	40.5m (43.0m)	0.17m (1.88m)	0.5p (3.1p)	nil (-)	
Texel Electronics (I)	10.8m (14.5m)	1.5m (0.68m)	3.8p (2.2p)	0.5p (0.4p)	
Travis Perkins (I)	269m (265m)	22.8m (17.2m)	14.8p (11.2p)	3.3p (3.0p)	
TBS Stores (I)	25.4m (24.0m)	10.3m (9.8m)	9.51p (8.38p)	3.28p (3.09p)	
Water City of London (I)	- (-)	2.55m (1.95m)	0.95p (0.50p)	nil (-)	
Wellington Bridge (I)	31.0m (30.5m)	2.55m (2.88m)	8.82p (8.31p)	2.7p (2.7p)	
Yorkshire Group (I)	65.7m (67.7m)	5.51m (6.05m)	8.6p (10.6p)	3.05p (2.8p)	
F - Final (I) - Interim (I) - EPS is pre-exceptional *Dividend to be paid as a FAD					

THE INVESTMENT COLUMN
EDITED BY ANDREW YATES

**Solid success
from RBS**

BROAD-MINDED is not the word you would automatically associate with Royal Bank of Scotland (RBS), given the way it has handled its proposed takeover of Birmingham Midshires. RBS is doggedly refusing to let Midshires talk to Halifax, which has already put a higher offer for the building society on the table.

But a brief look at RBS's track record suggests the bank has proved to be far more flexible in its approach to acquisitions and new ventures than many of its peers.

RBS has made inroads in markets where many have feared to tread - the US and supermarket banking, for example. It has also resisted the irritating temptation to slap its brand name on every business it invests in. Its Direct Line brand is one of the best known UK insurance brands.

RBS's alliances and acquisitions have, on the whole, been good news for shareholders. The shares, although off recent highs, have more or less doubled in the last 12 months. They closed yesterday at 988p, up 54.5p on the back of a better than expected set of first half results.

In the six months to March, underlying pre-tax profits at the bank rose by 21 per cent to £411m and the interim dividend was increased by 15 per cent to 7.13p a share. The figures were boosted by strong performances from the group's UK bank and from Citizens, its US subsidiary. Profits at the UK bank were up 25 per cent before provisions to £461m. Citizens' profit rose 30 per cent to £108m.

The results were not without a few wobbles, most notably the bank's Asian provisions. RBS has set aside £53m this half, taking its total provisions for the region to £60m. But that could rise again if the Asian economic crisis worsens.

Other weak points include news that account-holders at Virgin One, its joint venture with Richard Branson's empire, number less than 1,000, although RBS insists more applications are in the pipeline.

The coming year or so is likely to see RBS, which is keen to bolster its retail operations south of the border, dabbling in some type of acquisition activity, though deals are unlikely to be in the mega-bank league.

Like most banking stocks, RBS's shares are beginning to look a touch pricey - especially after yesterday's favourable market reaction. Analysts' forecasts now put the company on a forward p/e of 15. However RBS is undoubtedly a solid business with bright prospects. The shares are worth hanging on to for longer-term growth.

Royal Bank of Scotland: At a glance

Market value: £3.0bn, share price 988p (+54.5p)

Trading results

Total income (£bn) 2.4 2.6 3.0 1.4 1.7

Pre-tax profits (£m) 100 120 140 80 70

Earnings per share (p) 43.9 54.0 55.4 24.3 32.0

Dividends per share (p) 20.0 22.0 24.0 14.0 16.0

Profit before exceptional items

£m 300 200 100 0

1987 1988

UK Bank Direct Line Insurance Citizens

Share price

pence 1200

1000

800

600

400

200

0

1993 1994 1995 1996 1997 1998

Source: Bernstein

**Gloom lifts
for M&G**

AFTER a gloomy few years, there might finally be light at the end of the tunnel for M&G, the fund management group. Eighteen months ago, it began to suffer a haemorrhaging of funds as its investment performance came under fierce attack. The problem was M&G's distinctive identity as a "value" investor. Its strategy of picking small-cap, high-yielding stocks which it believed had strong earnings potential proved to be flawed.

After hundreds of millions of pounds poured out, Michael McLintock was brought in as chief executive and senior management was largely replaced. Stock-picking methods were broadened, and its flagship funds were transformed from some of the worst performing to some of the best.

Unfortunately, independent financial advisers, who bring M&G a large chunk of its new business, tend to judge investment performance over three or five years. On that timescale, its performance record is still tarnished. In the six months to 31 March, the value of PEP investments cashed in rose by 10 per cent to over £100m.

In the middle of a PEP bonanza for other fund managers, this was a cruel verdict on M&G. But investing in smaller companies is now back in vogue and M&G will be well placed when the government launches its individual savings account next year.

Profits in the six months to 31 March rose to £38.1m and analysts forecast current-year earnings of 77p. Takeover speculation has

forced up M&G's shares in recent months, although they slipped 12.5p to 1862.5p yesterday, putting them on a forward p/e of 26. Despite the better prospects that does not look cheap, given that Mercury Asset Management was sold for a lower multiple. Hold.

Lynx finds the right IT niche

IF ANYONE was in any doubt that IT stocks are hot property the popularity of ComputerCity's flotation has confirmed it.

But it is not just the big computing groups which are riding the crest of the outsourcing wave. Lynx provides the likes of finance and car companies with all their IT needs. And it has developed a lucrative niche by teaming up with software groups to provide their clients with computers.

Lynx has enjoyed an explosive growth rate over the last few years, fuelled by judicious acquisitions and an acceleration in the trend for companies to farm out work to third parties.

Pre-tax profits rose 49 per cent to £5.5m in the six months to March. An impressive organic earnings growth rate of 25 per cent was achieved despite a rise in wage costs due to a shortage of workers.

Lynx had a storming run. Its shares have almost tripled since last August and closed up another 14.5p to 223.5p yesterday. House broker Henderson Crosthwaite forecasts current year profits of £12.8m rising to £15.46m in the next 12 months, putting the shares on a prospective p/e of 26 falling to 22. Lynx is not the bargain it once was but the shares still look attractive.

Takeover speculation has

said: "I am extremely concerned about evidence of banks not being straightforward in their dealing with their customers - in particular, not alerting customers that they could get a better deal with a different account. I have asked my officials to investigate urgently."

The investigation follows an

up roar among customers of Northern Rock, the former building society which became a bank last autumn.

Helen Liddell, the Economic Secretary to the Treasury,

British Ports prepares US bid

By Andrew Yates

ASSOCIATED British Ports, the UK's largest ports operator, is planning its first foray overseas. The group announced yesterday that it was in takeover talks with American Port Services, the US port group and car importer, which promises to open a new chapter in its history.

ABP said it may bid about £98m or 190p a share for American Port Services. Tim Chadwick, the group's chairman, stands to become a multi-millionaire from the deal.

Andrew Smith, ABP's managing director, said yesterday: "American Port Services is slap bang in the middle of our declared strategy. We have made an offer of 190p in cash, which has not yet been formally recommended to shareholders."

ABP's shares slipped 6p to 369p, while American Port's stock rose 14p to 179p in anticipation of a bid.

ABP has been criticised by some institutions for missing chances to bid for ports coming up for privatisation around the world. This deal would give it a foothold in the US market and give it a chance to tender for ports being put up for sale by American local authorities.

However City analysts treated oews of the planned acquisition with caution. One observer pointed out that the acquisition marked a U-turn, taking ABP into the sort of port-related activities that it

had previously tried to get out of.

American Port Services owns five ports on the eastern and western seabords of the US.

The group's shares fell sharply in December after a profit warning. The company said then that the negative impact of the Far East economic crisis on imports of US cars to Asia would hit profits.

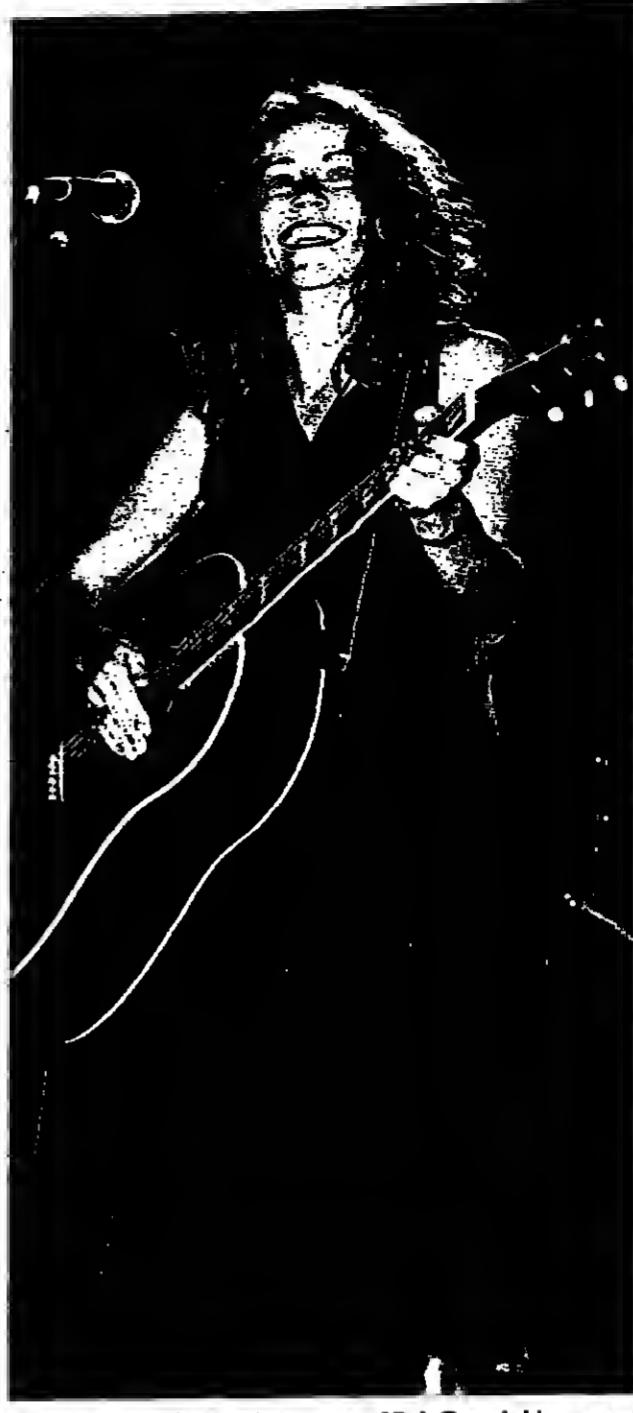
American Port could be the first in a number of acquisitions for ABP as Andrew Smith tries to transform its financial fortunes. By 2000 his aim is to have 25 per cent of the group's earnings coming from acquisitions.

ABP also intends to increase the number of services that the group provides in the ports it currently manages.

Mr Smith said he wants the company to become more "operational", by running, for instance, services such as grain and container terminals where as currently it merely collects dues from incoming ships, and provide a similar range of services as its prospective acquisition already does.

American Port Services provides many of its customers with value-added low technology services. At its car terminals, for example, it will add roof-racks, or sun roofs, and also wash vehicles as they can go straight into showrooms.

Mr Smith said that he expects the offer to be recommended shortly, adding that, at the current offer price, the acquisition will enhance earnings in 1999.



PolyGram price leaps on sale hope

By Andrew Verity

POLYGRAM, the world's biggest music company, yesterday welcomed a statement by Phillips, its owner, which had fuelled speculation that a sale of the company was imminent.

Phillips, the Dutch electronics group, said it was "evaluating various strategic options" with respect to its 75 per cent stake in PolyGram, causing PolyGram's shares to shoot up by 12.4 per cent.

A spokeswoman for PolyGram said: "We embrace any strategic options which will maximise any long-term value for our shareholders as well as opportunities for our management team and their talent."

Analysts said the timing of the announcement suggested Phillips was courting Seagram, the US entertainment company thought to be bidding for EMI.

City analysts believe there may also be interest from Disney or Dreamworks, two rivals of Seagram, which owns Universal Studios. Disney is known to have an interest in stepping up its music operations.

Bertelsmann, touted as a possible European buyer, is effectively ruled out on competition grounds.

Hot property: Cheryl Crow, one of PolyGram's big names

Matalan couple net £23m

By Andrew Yates

JOHN Hargreaves, founder and executive chairman of Matalan, the out-of-town clothing retail chain, and his wife Anne-Marie have raised £23m through selling part of their stake to financial institutions.

Mr Hargreaves and his family still own around 65 per cent of the group, which will be valued at more than £128m when it

floats on the stock market next Thursday.

Angus Monro, Matalan's chief executive, and Ian Smith, finance director, stand to become millionaires from the flotation. Mr Monro will own shares worth £3.2m, having exercised options and could receive more worth £1.9m. Mr Smith is sitting on shares worth almost £2m and is entitled to up to £600,000 worth of shares under the option scheme.

Matalan has been priced at £196.7m, equivalent to 235p a share. It will start trading on a historical multiple of nearly 20 times earnings.

Matalan sells branded goods such as Calvin Klein and Nike at knockdown prices. Mr Hargreaves, who started selling from a market stall, has presided over the rapid expansion of Matalan in recent years.

The group is raising more than £10m to grow its chain of stores.

Investigation follows Northern Rock complaints

THE GOVERNMENT yesterday launched a full investigation into high street banks which fail to deal openly with their customers - in particular, not alerting customers that they could get a better deal with a different account. I have asked my officials to investigate urgently."

The investigation follows an uproar among customers of Northern Rock, the former building society which became a bank last autumn.

Helen Liddell, the Economic Secretary to the Treasury,

said: "I am extremely concerned about evidence of banks not being straightforward in their dealing with their customers - in particular, not alerting customers that they could get a better deal with a different account. I have asked my officials to investigate urgently."

In the last week of April, thousands of savers with Northern Rock were switched between bank accounts without being consulted. Eleven kinds of bank account were merged into three. In many cases, interest rates were lowered.

Northern Rock justified its decision on the basis that there

would be as many gainers as losers from the changes.

Yesterday, Mrs Liddell met David Davis MP, chairman of the Public Accounts Committee, who brought the behaviour of Northern Rock to her attention.

Mr Davis complained that people had not been told of interest rates going down.

Such is the anger over Northern Rock's decision that its switchboards have been continually jammed by savers

querying the changes. The Office of Fair Trading and the Banking Ombudsman have received complaints and are considering whether to take action.

Professor Roy Goode, a Northern Rock saver who also led the government inquiry into the Maxwell affair, has branded the move "unfair and improper".

Northern Rock has in the past said it is on the right side of the Banking Code, but was last night unavailable for comment.

Why soccer stars have share prices at their feet

By Andrew Yates

AS the football season reaches its hectic climax the difference between success and failure can all hinge on the result of one match.

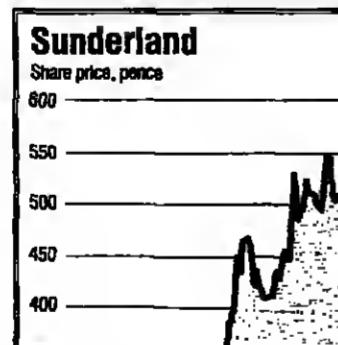
But these days it is not just the fans that have a lot resting on the fate of their favourite teams. Come the final whistle shareholders will also be left feeling as sick as a parrot or over the moon.

Thousands of investors in Arsenal celebrated along with supporters after their exuberant 4-0 victory over Everton last Sunday which clinched the Premiership title. The club's success has seen demand for its debentures, which are traded on the Ofex matched-har- gain system, reach new heights. They are now almost impossible to get hold of. In contrast Manchester City's shares, which are also traded on Ofex, slipped 10p to 85p as the City digested the news that the club has been consigned to the Second Division.

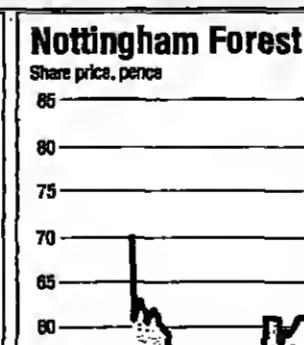
In a game increasingly dominated by money, one hit of dazzling skill from an opposing player can cost a club millions of pounds in lost profits. With the gulf between the Premier League and the First Division ever widening, promotion can transform the financial fortunes of a club, while relegation can spell disaster.

Performance on the pitch has an important bearing on the football share prices as the charts above

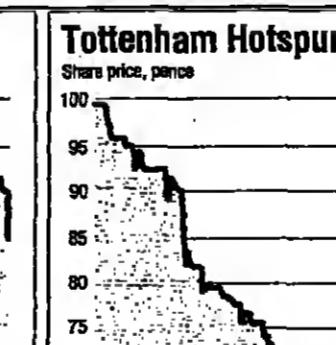
Sunderland



Nottingham Forest



Tottenham Hotspur



EMI dips as Seagram sounds cautious on takeover

MARKET REPORT



DEREK PAIN

JUST HOW much is EMI worth? As the stock market poonders whether a bidder will eventually materialise the shares, in often busy trading, dipped 15p to 575p. When the takeover approach was announced last week they touched 607.5p.

Decidedly cautious comments from Seagram, the Canadian drink group which emerged as the favourite to pounce, has helped undermine the showbiz group's shares.

This week, to promote its results, Seagram held a telephone conference with analysts. Most, it appears, were left with the impression a bid was unlikely at anything near the price, say 700p, the stock market would regard as acceptable.

And Seagram apparently undermined its reluctance to get too deeply involved with Allied Domecq, up 6.5p at 627p. Seagram and Allied have come under intense pressure to do a

deal since the creation last year of Diageo, the Grand Metropolitan/Guinness cocktail.

But Seagram is not interested in any arrangement which would undermine the dominant Bronfman family shareholding, which would seem to rule out a merger of Allied and Seagram's spirits operations. Distribution deals

seems the extent of any Seagram involvement.

The Canadian group, if analysts read the message correctly, is unfazed by the creation of Diageo and, although it would welcome EMI, is unhappy about the price put on the showbiz group.

Credit Lyonnais, the investment house, believes without a bid EMI is worth only 468p. Even a bid, believes analyst Nick Ward, would be no more than 630p with a battle for control necessary to spin the price to 750p.

Blue chips suffered another downbeat session although

mid and small cap shares were again resilient. Footsie lost 54.4 points to 5,938; at one time it was down 93. The mid cap index restricted its fall to 2.7 and the FTSE small cap index displayed utter contempt for its peers, jumping 9.8 to a peak of 2,685.9.

The market has been catching its breath, awaiting corporate action among the Footsie stocks. Little has occurred. Instead there has been a steady stream of takeover bids on the market's undercard, which has served to underline that, despite its recent strength, mid and small cap stocks remain.

The latest bid action involved American Port Services, Jevey, Sparco Consulting and Zetters. APS

rose 14p to 179p on the possibility of an offer from Associated British Ports, down 6p to 369p. Jevey, famed for its disinfectants, jumped 51.5p to 241p as Irish group IWP International produced a

£51.25m share exchange offer. Many suspect a counter-bid will appear.

Zetters, the bingo and pools group for long in the bid arena, hardened 12p to 158.5p after admitting its wide-ranging talks could lead to an offer. Sparco Consulting, the computer group, improved 27.5p to 317.5p as it declared it was in bid talks.

BICC, the cable and construction group, was given another takeover whirr, up 7.5p to 181p. Sterling's less ebullient display also helped.

The Daimler-Benz/S246m merger with Chrysler continued to drive a coach and horses through accepted motor industry wisdom. Speculation about a variety of alliances helped a number of shares higher, including Rolls-Royce, which has acquired control of what remains of Fokker, the Dutch aircraft maker, and clinched a \$275m US order. The shares climbed 10.5p to 298p.

The Lourho reijift the remnants of the international trading group 6.5p to 336.5p with debutante Lourho Africa, representing the group's African non-mining interests, in line with expectations at 85p.

Geo InterActive Media improved 15p to 161.5p. It has signed distribution deals for Greece, Italy and Korea. The dominant shareholders, it

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Four years of speculation? We'll all be nervous wrecks



DIANE COYLE
ON THE RISKS FOR STERLING AS IT WAITS ON THE SIDELINES OF THE SINGLE CURRENCY

ONE OF THE great unknowns about the single European currency is how its creation will affect those countries like the UK that are staying out of it. Pundits who do not really like the euro and think it doomed to disaster predict that Britain will look increasingly like an island of serenity in the storm-tossed seas of the financial markets.

It is safe haven status will attract overseas investors, leaving us with the dubious accolade of a very strong currency for the foreseeable future. Rough for exporters, but rather flattering.

But there is a good case to be made for the view that staying outside the mammoth new currency will actually expose sterling to speculative frenzy. It all depends on what the mass of opinion in the financial markets decides to believe about the Government's policy towards the euro, and how credible that policy is.

The basics of an argument that speculators will decide to put the pound under pressure can be found in an essay by Paul Krugman, the eminent professor of economics at the Massachusetts Institute of Technology, in his entertaining and illuminating new book*.

Professor Krugman has been a long-standing mild sceptic about the euro, and in a chapter written last year argued that the likely member currencies were vulnerable to a speculative attack.

That did not happen, but the same arguments apply to sterling during what the Government apparently intends to be a five-year period of preparation.

The argument starts with the simple observation that there are just two questions that matter about exchange rates. Is it helpful to the economy for them to be able to adjust? And do the currency markets get their judgements on the appropriate level for a given currency about right most of the time?

The second question is the

easiest to answer: it has to be 'no'. It can be perfectly rational for individual investors to bid an exchange rate up or down excessively, based on a judgement about what other investors are going to do, without any reference to economic fundamentals.

The phenomenon of overshooting has been seen so often as to be beyond doubt. Take the pound during the 1990s. It has veered from a low of DM2.18 to a high of DM3.10, a 42 per cent swing in the course of about five years. Has the underlying performance of the economy al-

mosted to one of four categories, as the diagram shows. For example, if you think exchange rates ought to be flexible and the markets are mostly sensible, you will be happy for the currency to find its own level – a "sane float". If you think there is little advantage in the freedom to devalue, or that a flexible exchange rate involves a high cost, and you thoroughly mistrust the markets, then you will want a firmly fixed exchange rate – and preferably a single currency. This is the position of euro-cheerleaders.

I'm a "determined fixer",

Exchange rates

when to worry

Is exchange rate flexibility useful?

No Yes

Can the forex market be trusted? Yes

No

Source: Paul Krugman

tered that much? Of course not.

As Professor Krugman explains, many economists now accept that there can be self-fulfilling currency crises. Not only does a given level for the exchange rate hold only if the markets believe the authorities will do everything necessary to defend it, but the herd instinct means everybody will want out if they think everyone else wants out.

What about the first question? Here, the answer is less obvious. The possibility of devaluation allows extra flexibility in managing the economy, and can be a godsend during a recession – as the UK found after September 1992.

On the other hand, the possibility of devaluation can just offer a short-term escape from inflationary pressures which ends up making the price spiral even worse – as the UK discovered in previous devaluations. Economists can cheerfully argue this both ways indefinitely.

Depending on your answer to these two questions, you fall

like other fans of single currency membership, but recognise that a majority of people fall into the "nervous wreck" category that offers the worst of both worlds – you think a flexible exchange rate is useful, but believe the currency market is likely to be periodically destructive if the rate can vary.

There are really only two possible cures in a world where traders can shift billions of dollars worth of funds between currencies in an instant. Either stop caring about the level of the currency – in other words, just the Chancellor – truly wants to join the single currency. It is a recipe for what Professor Krugman describes as "speculative havoc".

He recommends instead what has become known as the Nine strategy: "just do it". If the UK is ever going to join the Euro, it should just join.

It is advice likely to be ignored. The pound is strong now but watch out for a sterling crisis when it has drifted down to a more reasonable level and the speculation that the government is shadowing the euro begins.

It is staying in the nervous wreck box that makes a given currency such good sport for speculators. For example, the Asian currencies such as the

Thai baht combined the theoretical possibility of devaluation with a policy of resisting it. As soon as the markets believed the fixed exchange rate was no longer credible, because the Thai government was not prepared to stick to economic policies consistent with it, it was only a matter of time until the baht bubble burst.

The British Government fell firmly into the vulnerable nervous wreck category at the moment and – even worse – until it holds a referendum on Euro membership and joins the single currency irrevocably. There is at least a four-year window of opportunity for speculation against sterling. By definition, the Government does not think it worth giving up its exchange rate freedom yet, or it would have joined the first wave. Nor is it happy with sterling finding its own level in the markets. Quite the reverse – it seems to have a pretty specific level for the pound, around DM2.60, in mind.

A long transition period; a policy likely to be targeted at an exchange rate that will require interest rates to be set at a level unsuitable on domestic grounds at some stage; and too top of that real political uncertainty about whether the Government as a whole – not just the Chancellor – truly wants to join the single currency. It is a recipe for what Professor Krugman describes as "speculative havoc".

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d.coyle@independent.co.uk
* 'The Accidental Theorist',
Paul Krugman, Norton £16.95.

Foreign Exchange Rates

Country	Sterling			Dollar			D-Mark		
	Spot	1 month	3 months	Spot	1 month	3 months	Spot	1 month	3 months
UK	1.0000	0.8068	0.8075	0.6082	0.5439	0.5439	1.0000	0.8068	0.8068
Australia	2.5857	2.5828	2.5786	1.5685	1.5685	1.5685	2.5857	2.5828	2.5786
Austria	20.4650	20.4311	20.3677	12.415	12.409	12.409	20.4650	20.4311	20.3677
Belgium	1.3051	1.3051	1.3051	0.8511	0.8511	0.8511	1.3051	1.3051	1.3051
Canada	2.9501	2.9501	2.9501	1.4384	1.4374	1.4374	2.9501	2.9501	2.9501
Denmark	1.0567	1.0564	1.0562	0.7256	0.7251	0.7251	1.0567	1.0564	1.0562
ECU	1.4765	1.4729	1.4654	1.0763	1.0757	1.0757	1.4765	1.4729	1.4654
Finland	1.2050	1.2050	1.2050	0.8490	0.8485	0.8485	1.2050	1.2050	1.2050
France	5.7679	5.7717	5.7704	3.9400	3.9381	3.9381	5.7679	5.7717	5.7704
Germany	2.5075	2.5070	2.5070	1.7637	1.7637	1.7637	2.5075	2.5070	2.5070
Greece	50.881	50.905	50.907	30.6085	30.6042	30.6042	50.881	50.905	50.907
Hong Kong	2.774	2.774	2.774	1.7820	1.7820	1.7820	2.774	2.774	2.774
Iceland	1.3070	1.3070	1.3070	0.9250	0.9245	0.9245	1.3070	1.3070	1.3070
Italy	2.6942	2.6845	2.6824	1.7405	1.7403	1.7403	2.6942	2.6845	2.6824
Japan	21.942	21.942	21.942	13.3110	13.3105	13.3105	21.942	21.942	21.942
Malaysia	6.4546	6.4546	6.4549	4.3767	4.3767	4.3767	6.4546	6.4546	6.4549
Mexico	1.0701	1.0701	1.0701	0.6950	0.6950	0.6950	1.0701	1.0701	1.0701
Netherlands	3.2774	3.2667	3.2667	1.9881	1.9881	1.9881	3.2774	3.2667	3.2667
New Zealand	3.0225	3.0257	3.0257	2.0548	2.0532	2.0532	3.0225	3.0257	3.0257
Norway	2.9688	2.9688	2.9688	2.0795	2.0795	2.0795	2.9688	2.9688	2.9688
Portugal	1.6271	1.6271	1.6271	1.0750	1.0750	1.0750	1.6271	1.6271	1.6271
South Africa	6.0129	6.0129	6.0129	4.1640	4.1640	4.1640	6.0129	6.0129	6.0129
Spain	2.6711	2.6647	2.6647	1.8350	1.8350	1.8350	2.6711	2.6647	2.6647
Sweden	12.593	12.485	12.485	7.9555	7.9574	7.9574	12.593	12.485	12.485
Switzerland	2.4241	2.4175	2.4175	1.4705	1.4685	1.4685	2.4241	2.4175	2.4175
US	1.0405	1.0405	1.0405	0.7000	0.7000	0.7000	1.0405	1.0405	1.0405

Bond Yields

Country	3 mth	chg	1 yr	chg	2 yr	chg	5 yr	chg	10 yr	chg
Australia	4.95	0.02	4.95	-0.02	4.97	-0.02	5.30	-0.02	5.30	-0.02
Canada	4.95	0.02	4.95	-0.02	4.97	-0.02	5.30	-0.02	5.30	-0.02
China	4.95	0.02	4.95	-0.02	4.97	-0.02	5.30	-0.02	5.30	-0.02
Denmark	5.05	0.02	5.05	-0.02	5.07	-0.02	5.30	-0.02	5.30	-0.02
Egypt	5.05	0.02	5.05	-0.02	5.07	-0.02	5.30	-0.02	5.30	-0.02
Ghana	3.6045	0.02	3.6045	-0.02	3.6045	-0.02	3.7505	-0.02	3.7505	-0.02
Hungary	9.4328	0.02	9.4328	-0.02	9.4328	-0.02	9.5025	-0.02	9.5025	-0.02
India	6.5569	0.02	6.5575	-0.02	6.5575	-0.02	6.5575	-0.02	6.5575	-0.02
Indonesia	6.5564</									

Hoddle calls Shearer kick 'accidental'

Football

By Nick Harris

THE ENGLAND coach, Glenn Hoddle, spoke out in defence of Alan Shearer yesterday and said that he was "100 per cent confident" that the England striker would not deliberately kick an opponent in the face.

The Football Association announced on Wednesday that Shearer would face a misconduct charge after apparently kicking Leicester City's Neil

Lennon in the head during a Premiership match on 29 April.

Hoddle yesterday appealed to the FA to hold any disciplinary hearing "as soon as possible" so that the matter can be cleared up in advance of this summer's World Cup and his prized striker can concentrate on the tournament.

The England coach added that he had no doubt that the incident in which Shearer appeared to kick Lennon was an accident. "I have spoken to Alan Shearer at length over recent

days," he said. "I have watched the incident he was involved in during last week's match at Leicester and on several occasions.

"As a result, I am 100 per cent sure what happened was accidental. My personal opinion from the start has been that it was accidental. I don't accept Alan would deliberately intend to harm a fellow professional."

After being tackled by Lennon, Shearer's legs became tangled with the Leicester player and, when he turned, he kicked the grounded player in

the face with his left foot. Shearer has insisted the kick was not deliberate and that television replays made the incident look worse than it was.

If found guilty by the FA disciplinary committee, Shearer could be heavily fined or suspended for several League matches next season, but he remains free to play in Newcastle's remaining games this season, including the FA Cup final on 16 May against Arsenal, as well as the World Cup.

Any suspension imposed by

the FA would take effect next season.

"As far as the England team is concerned, we hope the matter will be brought to a conclusion as soon as possible," Hoddle said. "Alan Shearer's reputation and record over many years have been impeccable. It's time now for events to run their course and for everyone who wants success in France to get off his back."

The decision to call Shearer before an FA commission was taken personally by Graham

Kelly, the chief executive of the FA. "Graham Kelly believes it is in the interests of the game that Alan Shearer receives the fairest opportunity to explain to a commission what happened and, if necessary, call witnesses on his behalf," the FA said.

However, Shearer has 14 days to respond and, depending upon his response, it will be decided when and how to proceed.

The England striker seems certain to ask for a personal hearing, as he has been angered by the FA's handling of the

case. "I fully understand the need for all players to be treated equally by the FA, but I am disappointed that there is apparently nothing in the FA's rules which enables a player to state his case prior to an announcement like this being made," he said. "I am totally confident that I will eventually prove to everyone that the incident was not intentional."

Lennon has criticised the FA for their delay in deciding to bring Shearer before a Lancaster Gate hearing and in

charging him. "It has become a farce in taking so long for any decision to be made," the Leicester player said. "If the referee and linesman had acted in the right way at the time in dealing with what was a sending-off offence, then what has gone on since would have been unnecessary. That's where I have sympathy with Alan. If it hadn't been him, he would not have had to put up with all the publicity that has followed."

Hoddle's debt to Wenger page 29



Wasim Akram just makes it home as Nottinghamshire's Wayne Noon attempts a run-out during Lancashire's B&H Cup victory at Trent Bridge yesterday. Photograph: Peter Jay

Operation bounces Warne out of Ashes

Cricket

By Nick Duxbury

ENGLAND look to have been spared the attentions of Shane Warne next winter after surgery on the Australian leg spinner's shoulder yesterday revealed serious damage that could take up to 12 months to repair.

The injury to the right bowl-

ing shoulder of the most prolific spinner in Test history was far worse than expected and could have been career-threatening had Warne attempted to play any more cricket.

Doctors discovered a torn rotator cuff and cartilage, which required immediate reconstruction. Warne's arm will be in a sling for four to six weeks and he then faces five to

11 months recuperation. "It's disappointing news," the 28-year-old Warne said. "It's worse than we had hoped, but I will just have to do all the right things from now on to get it right."

"If I have to put most of my life on hold, then I'll do that. But it's not going to be easy, especially on my wife and daughter."

Warne, who has taken 313

wickets in 67 Tests at an average of 24.78, stands to miss the Commonwealth Games in Kuala Lumpur, Australia's tour of Pakistan in September, the Ashes series against Alec Stewart's visiting England in November and the tour to West Indies next February.

The doctors told me that if the rehabilitation goes well, the shoulder will eventually be

better than brand new, so there's no reason why I couldn't have another five years playing for Australia, as long as my form is good enough," said Warne, who struggled through Australia's recent tour of India, where a fall aggravated the injury.

Geoff Marsh, the Australian coach, declared that it was imperative that Warne fully re-

covered before returning to the fray. "If Shane's out for a year, then that's the case," he said. "He's played in a lot of pain for 12 months."

The setback further weakens Australia's front-line attack and again raises the question of overuse. Paceman Glenn McGrath and Jason Gillespie missed most of last summer with stomach and back complaints.

THE INDEPENDENT CROSSWORD
No. 3605, Friday 8 May
By Phi
Thursday's solution

1	2	3	4	5	6	7	8
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ACROSS
1. Warnings to golfers to attempt work with the wood? (8)
5. Duck? One at Glamis is seen beside Queen (6)
9. Firm studies worker? About time (8)
10. Direct one to follow ring-road in (6)
11. Less elevated blossom having head removed (5)
12. Subject of trial is old coin, one snatched by lodger (6-3)
14. Become clear parade for inspection requires best tie (4,4,5)
17. Air at the outset could produce a genuine trust (9,4)
20. Excellent changes, with one eliminating cross cus-

tomers (9)
21. Opera to examine endlessly (5)
22. Scientist backing no faction (6)
23. One among ace staff providing security on flight? (5,3)
24. It's good aboard a healthy ship (6)
25. It's on the pavement, incidentally (2,3,3)

DOWN
1. Countermeasures elevator's renovation (8)
2. What's genuine about recent recovery? (7)
3. Some amateur tastes may recall me! (5)
4. Make a new deal: note and agree it after a wrangle (11)
6. Exclamation of surprise about recent match (9)
7. Pirates, being punished, walk slowly (7)
8. Go back and set up part of the generator (6)
13. Rashly suggest restricting vulgar religious texts (11)
15. Adept at getting information on bills (9)
16. Girl's almost completely precise in genealogical study (8)
17. Watersport is in a bad way (7)
18. People working for international corporation should be open (7)
19. It involves 50% of chemical in design (6)
21. Part of leg treatment initially expensive (5)

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Coulthard confident of coping with rivals

Motor racing

By Derek Allsop
in Barcelona

IF IT comes down to temperament, you sense it would be no contest. David Coulthard is as likely to lose his head in the domestic duel with Mika Hakkinen as David Lynchi was to be perplexed by a missing cue card.

Championship points may be won in the mind as well as on the track these coming months and Coulthard is unsurprisingly self-assured that he will cope with the psychological challenge.

The balance shifted when Coulthard won at Imola, a fortnight ago, and climbed to within three points of his McLaren-Mercedes team-mate. Victory in Sunday's Spanish Grand Prix would take the 27-year-old Scot to the top of the standings and, crucially, undermine the Finn's confidence.

Coulthard, conscious of the opportunity, said last night: "I hope my temperament may give me the edge over Mika. I've got to look for his weaknesses and play on that."

The last two races have helped a lot. I think he probably felt he would remain quicker but that hasn't happened. His strength is that he has usually

been quicker than his teammate but what has happened in the last two races might gnaw at his self-belief and I've got to keep doing that. The important thing is to keep on top of him. We are so close it could go either way."

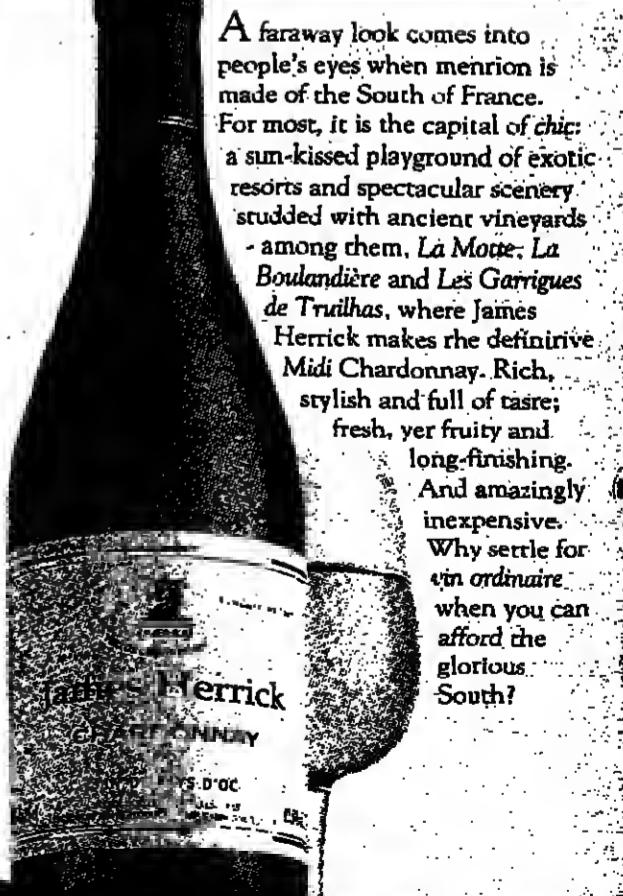
Coulthard's superior speed in Argentina and his lights-to-flag win in the San Marino Grand Prix have given the championship an entirely different complexion.

There remains, however, another dimension to this series and Coulthard is aware a McLaren squabble could be exploited by Michael Schumacher. The German, driving an inferior Ferrari, is only three points further back, and his team promise imminent improvements to the car.

Schumacher's team-mate, Eddie Irvine, emphasised the danger to the McLaren pair, saying: "I think Michael has a very realistic chance of the championship. The McLaren drivers are taking points off each other. Our start hasn't been as bad as it might have been, but we certainly need to improve."

Coulthard countered: "If we are finishing one and two, then we are taking points off Michael. It's only a problem if he beats one of us."

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